



OVERSTRAND MUNICIPALITY

AFFORDABLE HOUSING PROPOSAL



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SUMMARY OVERVIEW

GAP Project - Mount Pleasant and Swartdamweg

Summary of Municipal recovery

	nr Erven	DOHS	Services Electrical	Services Civil	Average/erf	Total
Swartdamweg	150		R 0	R 7 617 150	R 50 781	R 7 617 150
Mount Pleasant Village	22		R 0	R 990 000	R 45 000	
Mount Pleasant Heights	17		R 0	R 936 197	R 55 070	
		R 10 000 000				
Total Recovery to SOA		R 10 000 000	R	R 9 543 347		R 19 543 347
		SOA	SOA	SOA		SOA

Price range

	Number of units	Unit Size m2	Selling price per unit FROM	Selling price per unit TO
Swartdamweg	30	42		R 335 000
Swartdamweg	120	42		R 435 000
Mount Pleasant Village	22	45-82	R 469 436	R 708 436
Mount Pleasant Heights	17	43-62	R 670 000	R 910 000
Total	189			

GAP proposal summary

- (a) **The Municipality is the registered owner of the property;**
- (b) **Suppliers To All, trading as Motlekar Overstrand is the Municipality's implementing agent;**
- (c) **The Municipality, in line with DOHS's strategic objectives, wishes to make the property available for the development of affordable Housing Project. The vision of the Municipality is to provide affordable housing in lower, middle and higher income categories;**
- (d) **This Innovative model will ensure the provision of affordable housing to all. The Municipality partnered with The Department of Human Settlements ("DOHS") who approved funding for the Swartdamweg GAP component of the project to unlock the project;**
- (e) **The property has been rezoned to single residential purposes with a departure from the normal single residential development parameters pertaining to building lines for a an affordable Housing Project;**
- (f) **DOHS approved the Swartdamweg affordable housing project as part of a bigger IRDP (Integrated Residential Development Project) project and the sites were serviced under this model;**
- (g) **A partnership approach was agreed upon between the Municipality and Suppliers To All with DOHS to implement the project;**
- (h) **DOHS agreed to unlock the Swartdamweg component of the project and approved R 10 000 000 (ten million rand) to start the first phase of the project. DOHS agreed that the funding be utilized to make housing more affordable and to unlock further housing projects;**

- (i) The Municipality has agreed to waive bulk contributions and land cost to enhance affordability.

The following terms and conditions shall be applicable

1. The Department of Human Settlements (DHOS) approved R10 000 000 to start the first phase of the development of the property. The Municipality makes the funding available to Suppliers To All as bridging finance to start construction.
2. The R10 000 000 funding will be paid to Suppliers To All as an advance payment to start the project.
3. Suppliers To All will provide the municipality with an acceptable form of guarantee to the value of R10 000 000.
4. The Affordable Housing Project shall be implemented by Suppliers To All in phases.

Phase 1

Construction of boundary wall and entrance.

Construction of a show village of 30 GAP housing units at Swartdamweg – 2017/2018.

Construction of show houses at Mount Pleasant village and Mount Pleasant Heights 2017/2018.

Start marketing all units.

Phase 2

Ongoing marketing 2018/2019.

Complete transfers on phase 1. Once the 10 mil funding is recovered Suppliers will start construction of the following 30 GAP units during 2018/2019.

Depending on the market uptake and timeframe to recover the bridge-funding Suppliers aim to further construct the next of 30 GAP units during 2018/2019. (60 in total 2018/2019)

Ongoing construction of units in Mount pleasant Heights and Mount Pleasant Village – Market driven.

Phase 3

Ongoing marketing of all units. 2019/2020

Final construction of units in Mount pleasant Heights and Mount Pleasant Village.

Construction of the last phase of Swartdamweg - 60 GAP units in 2 pockets of 30 units each.

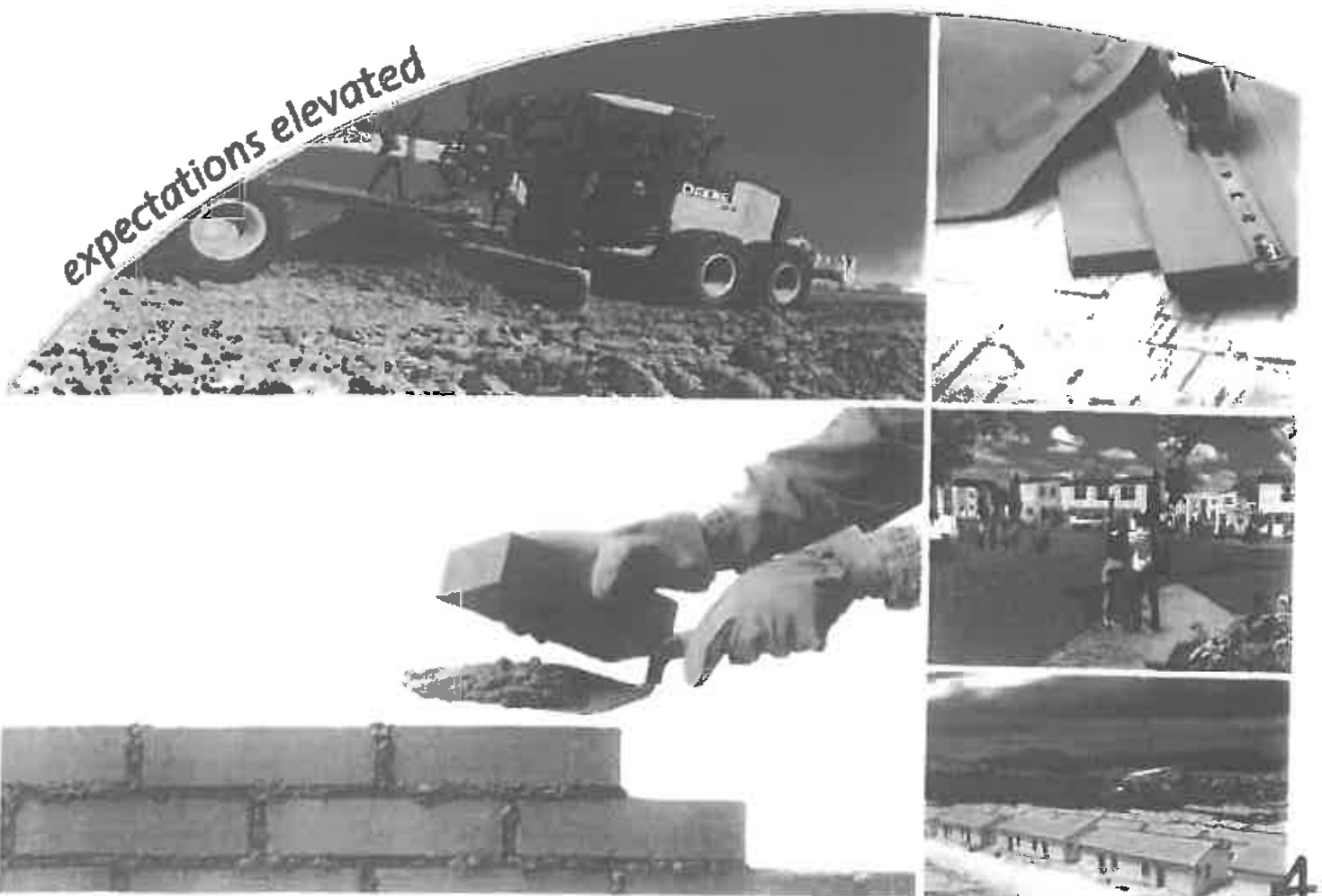
Upon transfer of the last phase of the Swartdamweg project the full amount of R10 000 000 will be recovered into the SOA account of the Municipality.

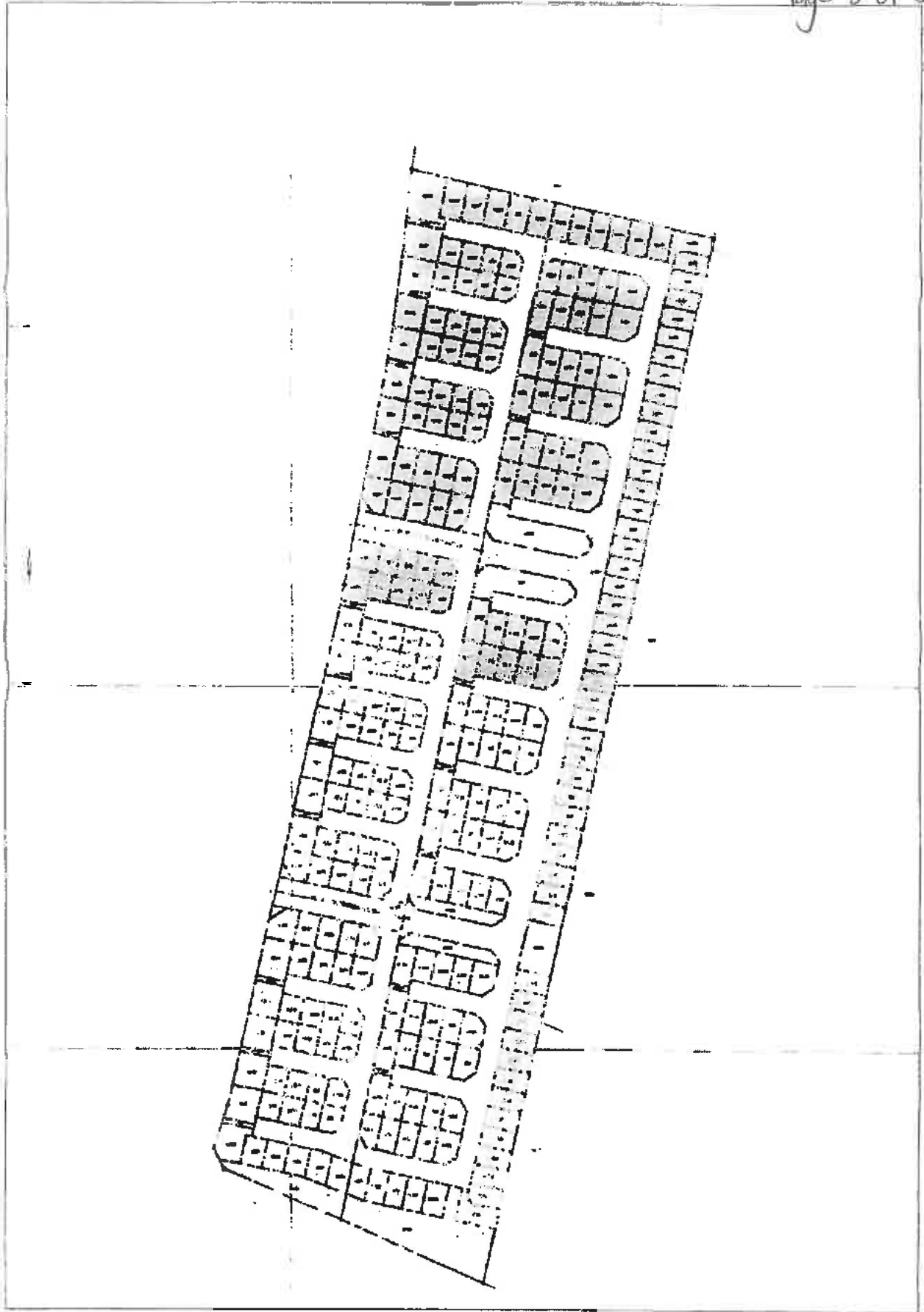
Overstrand Municipality
Magnolia Street, Hermanus, 7200
P.O. Box 20, Hermanus, 7200
Tel: (028) 313 8000
Web: www.overstrand.gov.za

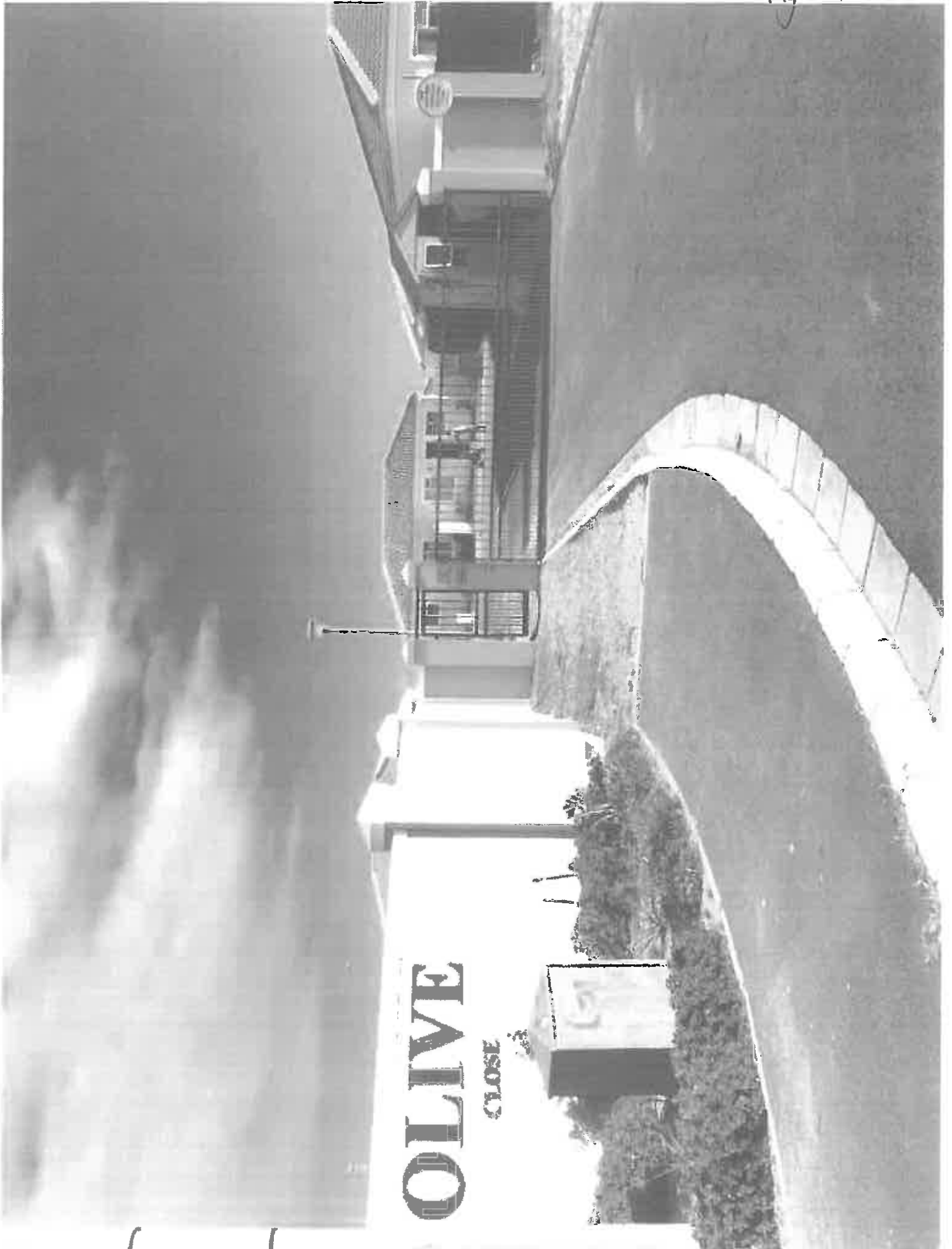


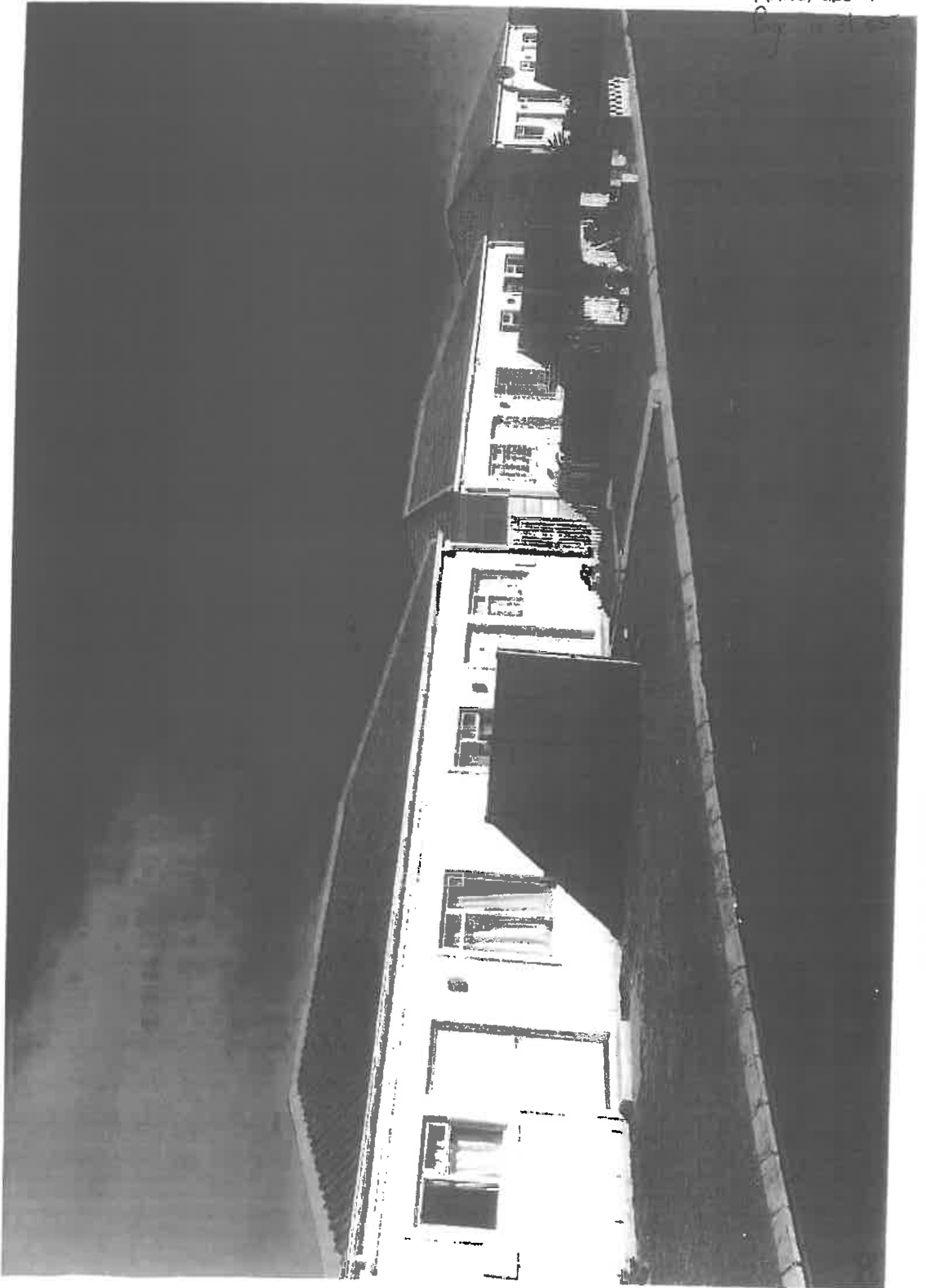
**SWARTDAMWEG
SITE C1**

**AFFORDABLE HOUSING/
RENTALS**









SWARTDAMWEG

GAP/ MODEL SALES PRICE DETAIL

House Type:	Type A	Type B	Type A	Type B	Total:	Per m2
	Phase 1	Subsidised Phase 1	Phase 2	Subsidised Phase 2		
	2016/2017	2016/2017	2017/2018	2017/2018		
No of	32	8	68	22	150	
Size	40	40	40	40	8 000	
m2 total	1 280	320	3 520	880		
Building cost	5 000	5 000	5 000	5 000		
Selling rate m2	10 875	6 375	10 875	8 975		
Opening balance cashflow only						
House price Nett retention:						
Sub total ex VAT	R 381 578	R 293 880	R 381 579	R 293 880	R 64 805 263	R 9 101
VAT	R 83 421	R 41 140	R 83 421	R 41 140	R 7 644 737	R 1 274,12
SALES PRICE INCL VAT	R 435 000	R 335 000	R 435 000	R 335 000	R 62 250 000	R 10 375

EXPENSES

Land Cost	R 0	R 0	R 0	R 0	R 0	R 0	
Bulk services cost	R 0	R 0	R 0	R 0	R 0	R 0	
Electrical services	R 0	R 0	R 0	R 0	R 0	R 0	
Civil Services	R 50 781	R 50 781	R 50 781	R 50 781	R 7 617 150	R 1 270	
Sub total Stand cost A	R 50 781	R 50 781	R 50 781	R 50 781	R 7 617 150	R 1 270	
Building cost	R 200 000	R 200 000	R 200 000	R 200 000	R 30 000 000	R 5 000	60.31%
Allowance Rock / foundations	R 5 000	R 5 000	R 5 000	R 5 000	R 750 000	R 125	1.51%
Boundry wall /security	R 8 000	R 8 000	R 8 000	R 8 000	R 1 200 000	R 200	2.41%
Contingencies	R 10 000	R 10 000	R 10 000	R 10 000	R 1 500 000	R 250	3.02%
Sub total Building cost B	R 223 000	R 223 000	R 223 000	R 223 000	R 33 450 000	R 5 575	
Other Top structure cost					R 0	R 0	
Professional fees	R 5 000	R 5 000	R 5 000	R 5 000	R 750 000	R 125	1.51%
Transfer and Bond cost	R 8 000	R 8 000	R 8 000	R 8 000	R 1 200 000	R 200	2.41%
Municipal cost	R 5 000	R 5 000	R 5 000	R 5 000	R 750 000	R 125	1.51%
- Marketing & promotion	R 5 000	R 5 000	R 5 000	R 5 000	R 750 000	R 125	1.51%
NHRC fee	R 5 855	R 4 385	R 5 855	R 4 385	R 609 250	R 135	1.63%
Project Management fees	R 5 000	R 5 000	R 5 000	R 5 000	R 750 000	R 125	1.51%
Sub total other cost C	R 33 655	R 32 385	R 33 655	R 32 385	R 5 009 250	R 895	10.07%
Sub Total House Cost:	R 286 655	R 286 385	R 286 655	R 286 385	R 38 459 250	R 6 410	77.32%
Sales commission fees (D)	R 20 000	R 20 000	R 20 000	R 20 000	R 3 000 000	R 500	4.92%
Transfer fees & dess office	R 1 000	R 1 000	R 1 000	R 1 000	R 150 000	R 25	0.30%
Sub Total House Cost: D	R 277 655	R 276 385	R 277 655	R 276 385	R 41 609 250	R 6 935	83.69%
Total cost Land,Stand and House	R 328 436	R 327 136	R 328 436	R 327 136	R 49 226 400	R 8 204	98.97%
Finance cost	R 3 000	R 3 000	R 3 000	R 3 000	R 450 000	R 75	0.90%
Bank valuation fee (A)	R 420	R 420	R 420	R 420	R 63 000	R 11	0.13%
Total cost ex VAT (B)	R 331 856	R 330 556	R 331 856	R 330 556	R 49 739 400	R 8 290	100.00%
VAT					R 0	R 0	B/C
Projected return	R 49 723	R -36 696	R 49 723	R -36 696	R 4 855 863	R 611	8.76%

ANNEXURE F
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MOTLEKAR

CAPE

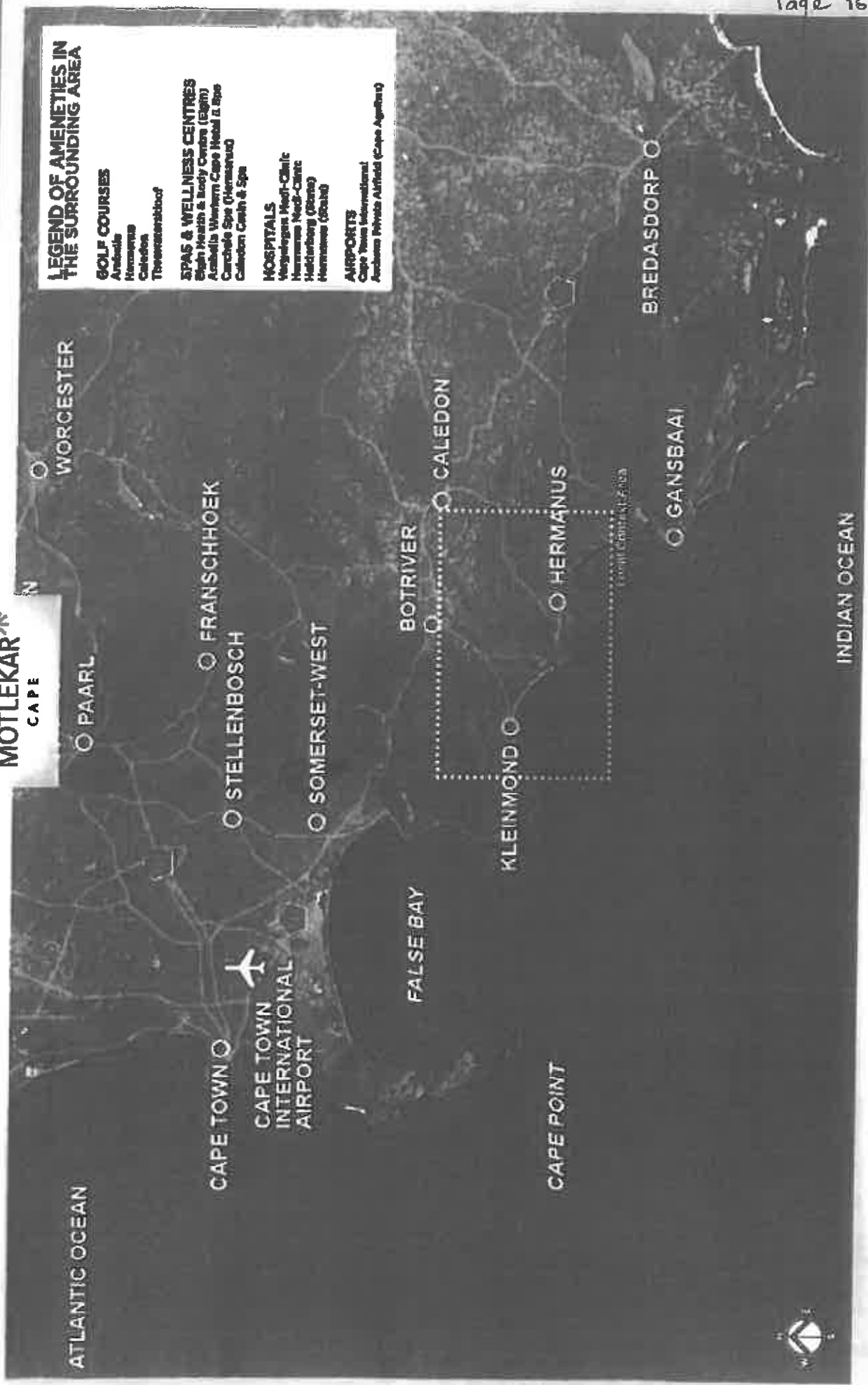
**MOUNT
PLEASANT
HEIGHTS**

HERMANUS • SOUTH AFRICA

THE
DENNIS MOSS PARTNERSHIP
PROPERTIES

FEBRUARY 2016

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PROVINCIAL CONTEXT - WESTERN CAPE
FEBRUARY 2018

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TO CALEDON TO VILLERSDORP

TO GANS BAY

TO CAPE TOWN

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LOCAL CONTEXT
MOTLEKAR CAPE

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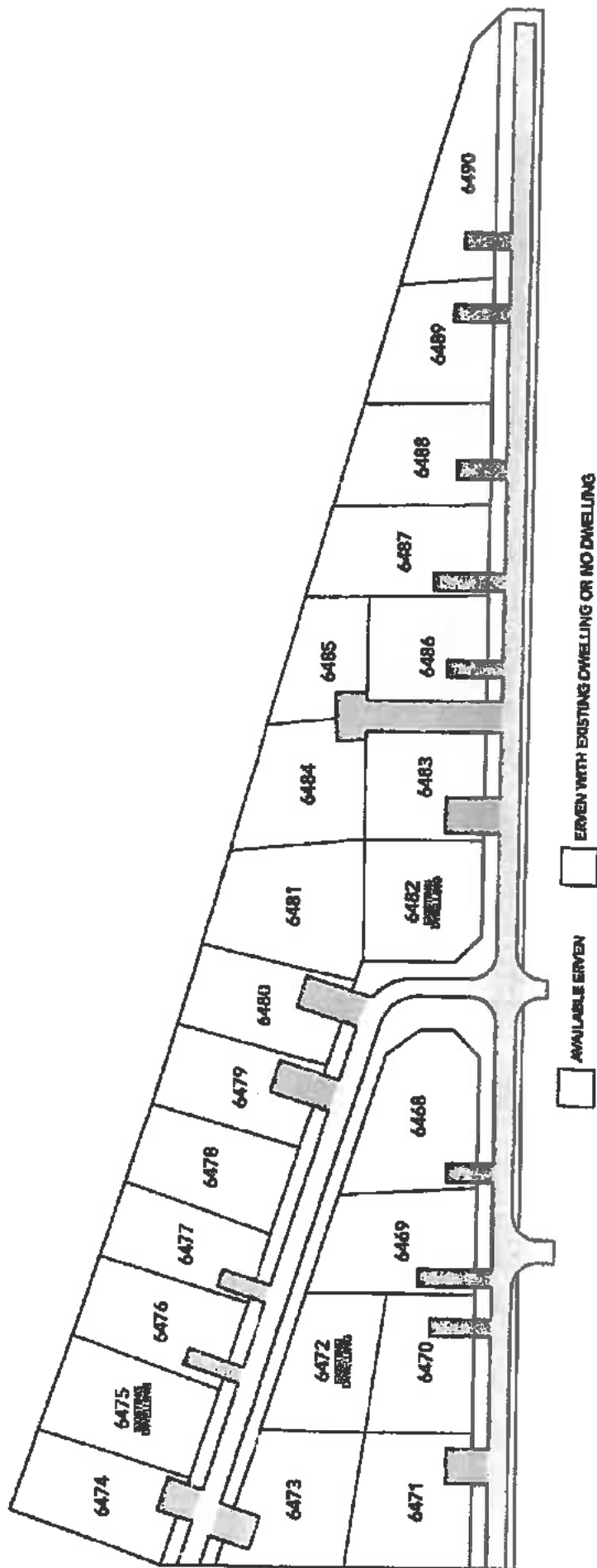
MOUNT PLEASANT HEIGHTS LOCAL CONTEXT

MOTLEKAR
CAPE

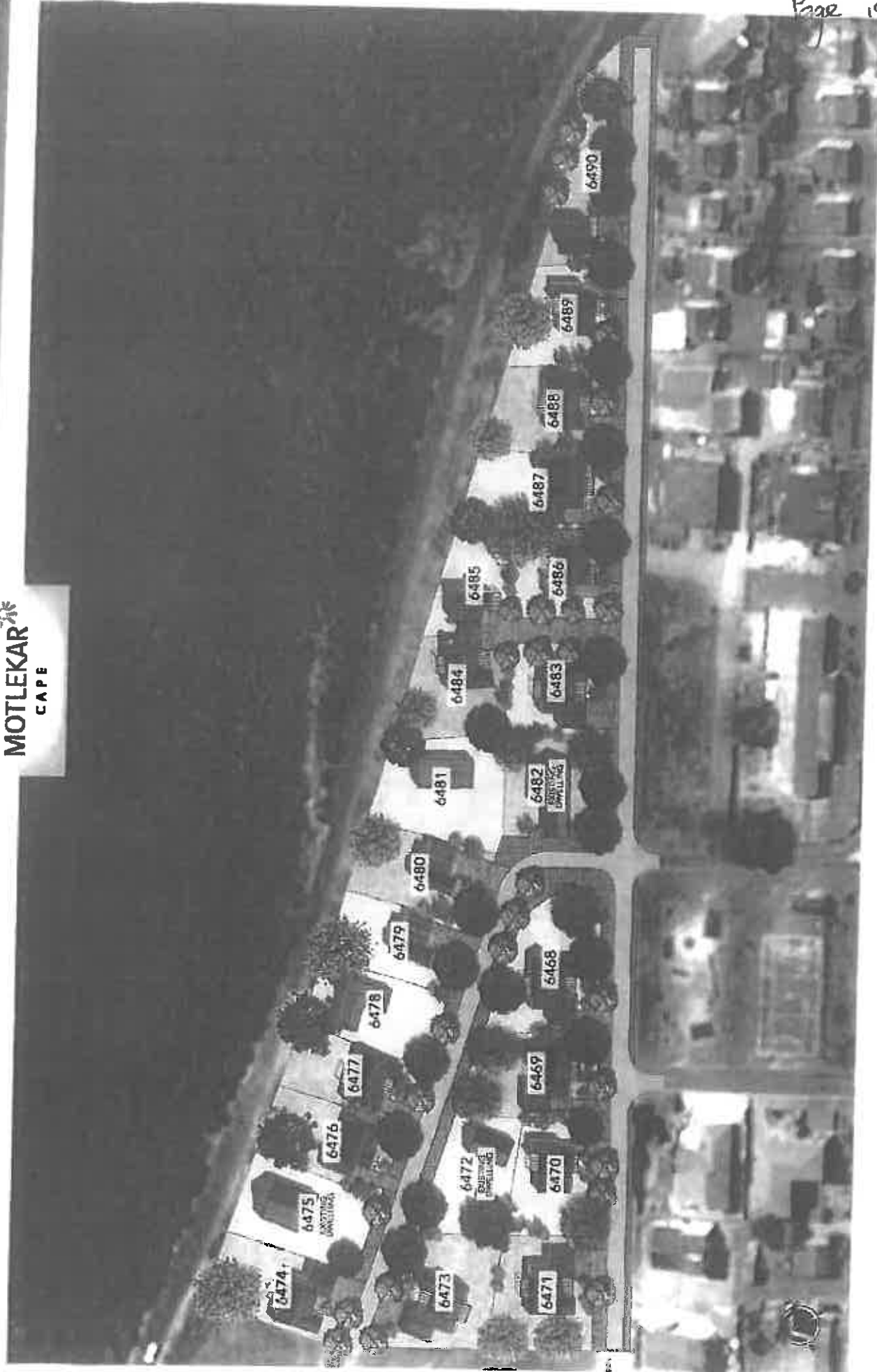
17 | MOUNT PLEASANT HEIGHTS



ANNEXURE F
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MASTERPLAN
2019-2021

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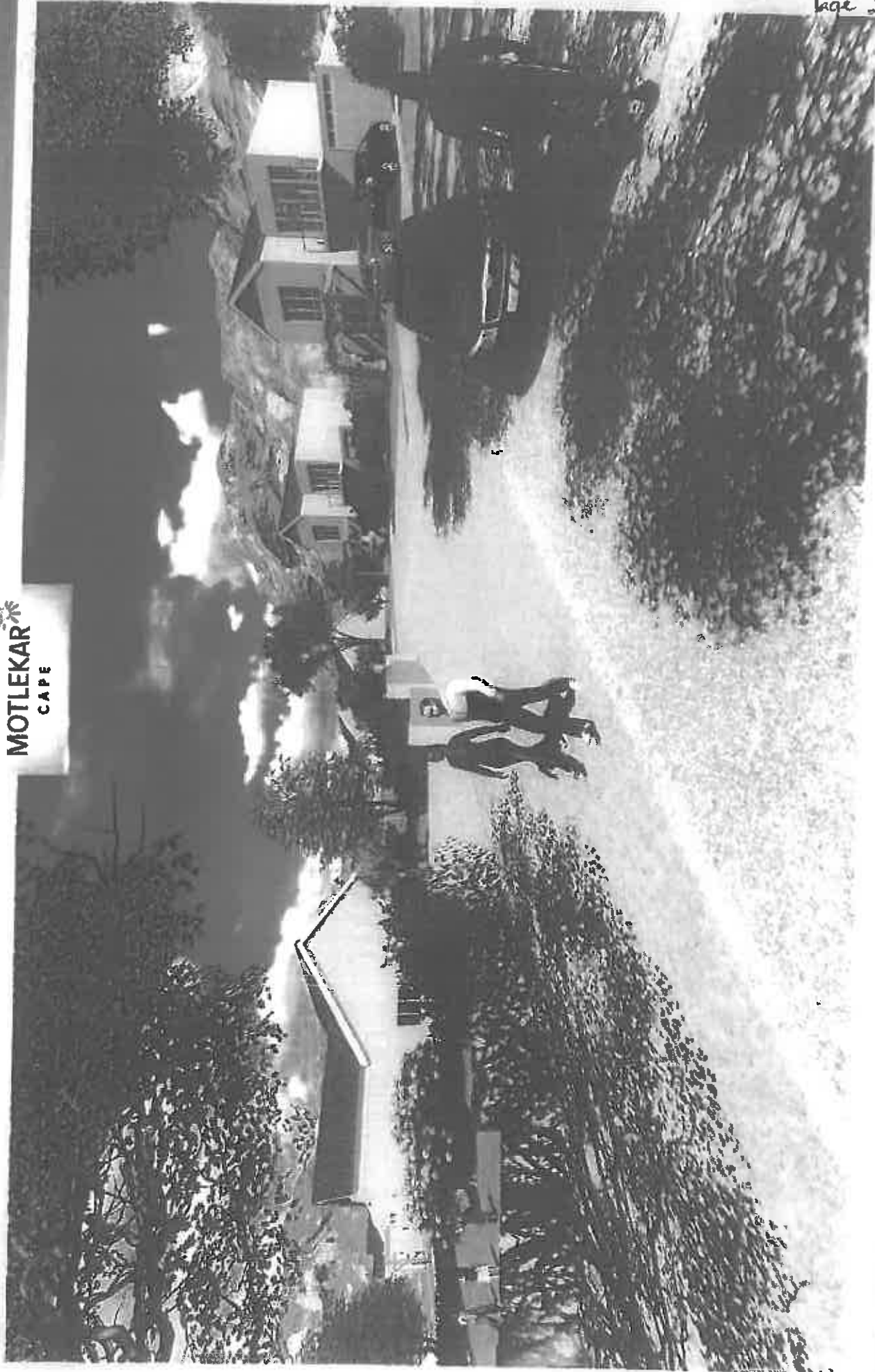
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DEVELOPMENT SITE MASTERPLAN (LOOKING EAST)
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MOTLEKAR DEVELOPMENT

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CAPE

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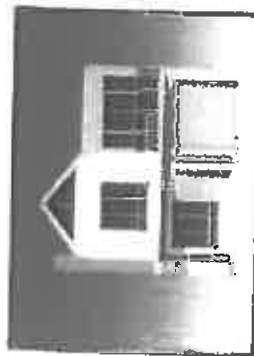
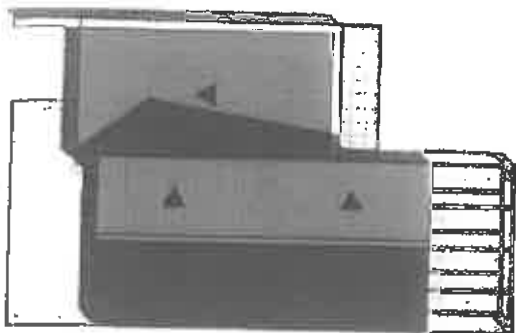
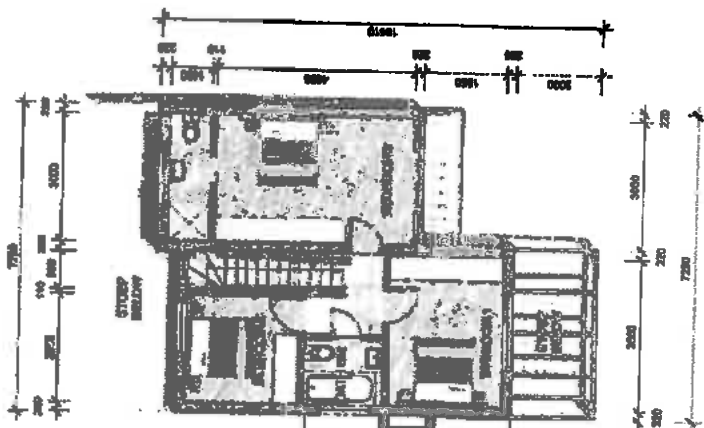
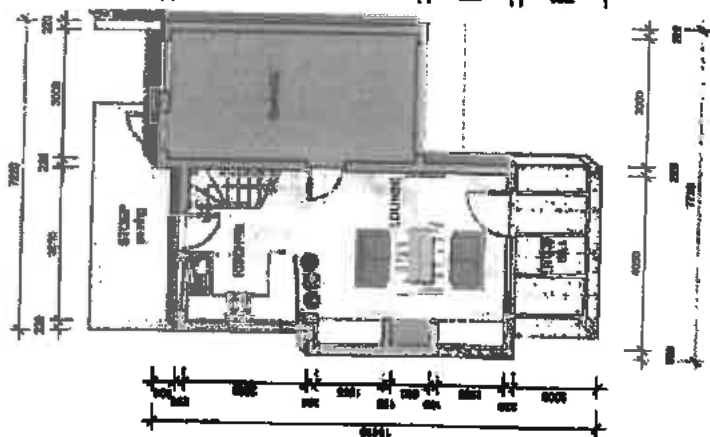


ARTIST'S IMPRESSION OF TYPICAL STREET SCENE
FEBRUARY 2014

MOTLEKAR
CAPE

16
MOTLEKAR
CAPE

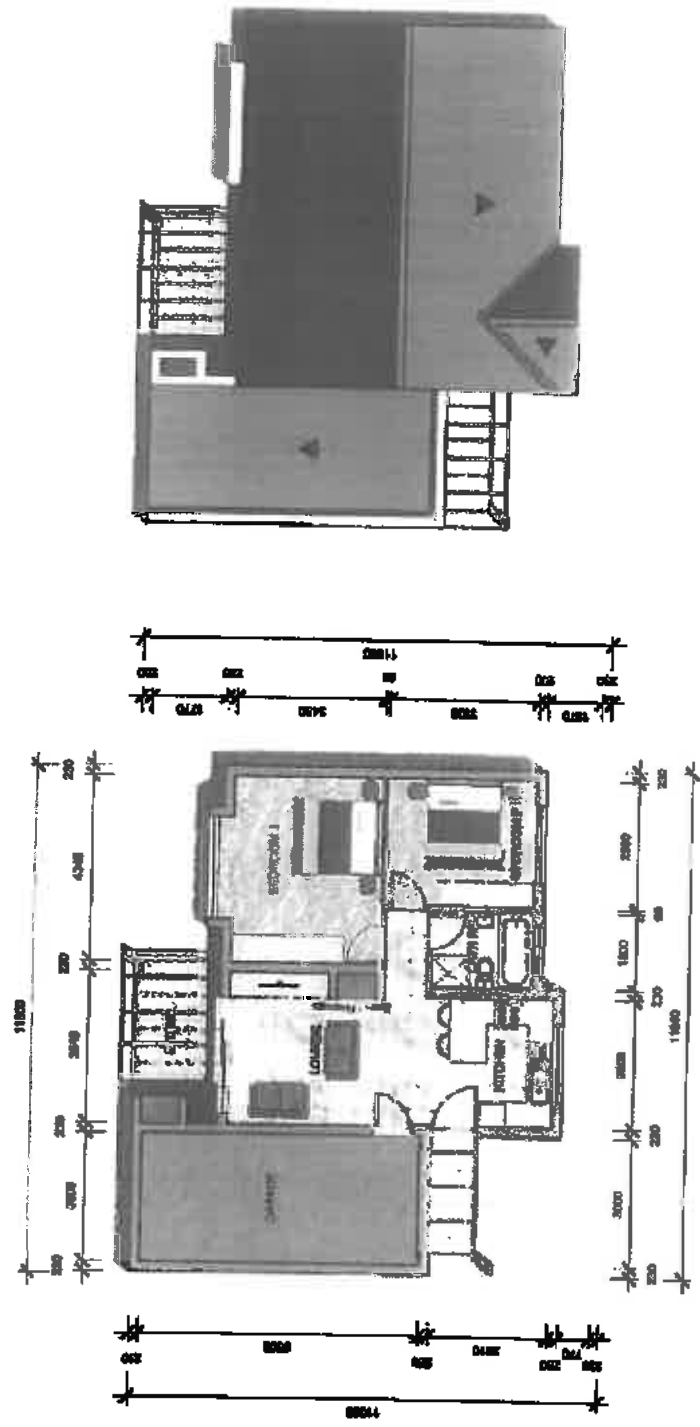
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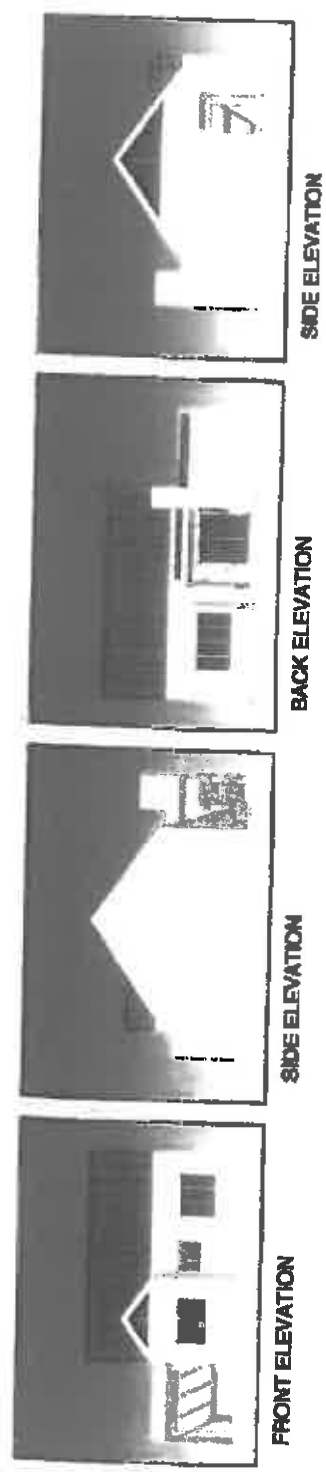
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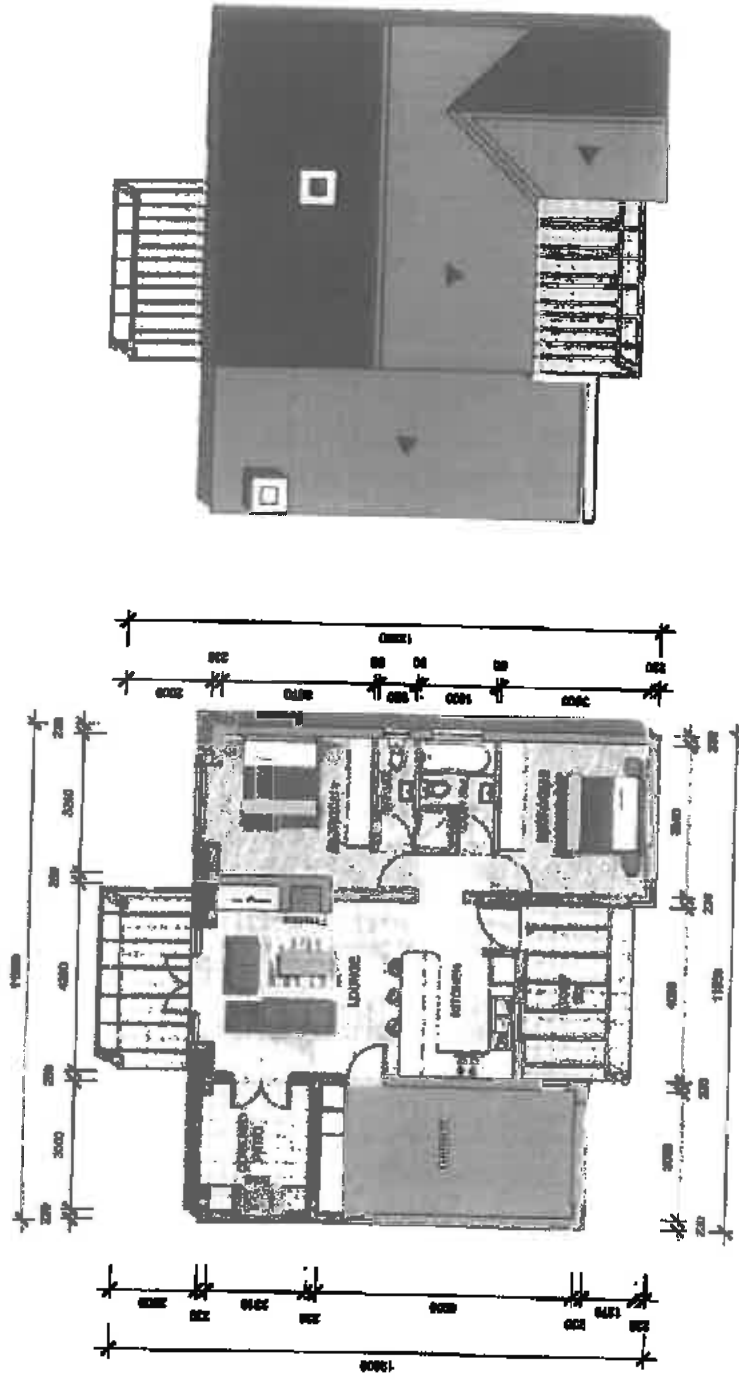
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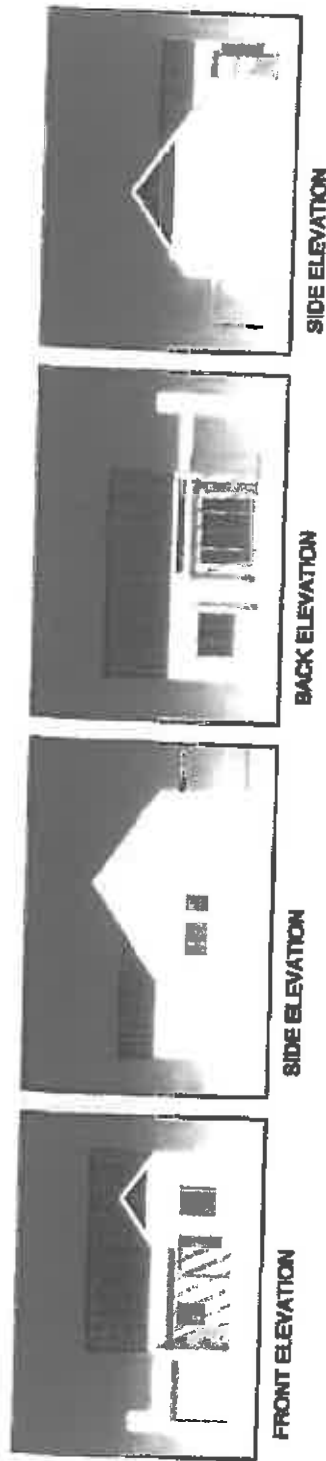
ROOF PLAN

GROUND FLOOR PLAN - 68m²
AREA: 68m² (including garage)
NOTE: ROOMS POSITION TO BE FINALIZED, SITE DEPENDENT.





GROUND FLOOR PLAN = 85m²
AREA: 105m² (including terrace)
 NOTE: DIMENSION POSITION TO BE REGULATED, PER DEPARTMENT.



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ARTISTS IMPRESSION OF TYPICAL INTERIOR

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 THE ARCHITECTS
 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

MOTLEKAR
CAPE



ARTISTS IMPRESSION OF TYPICAL INTERIOR

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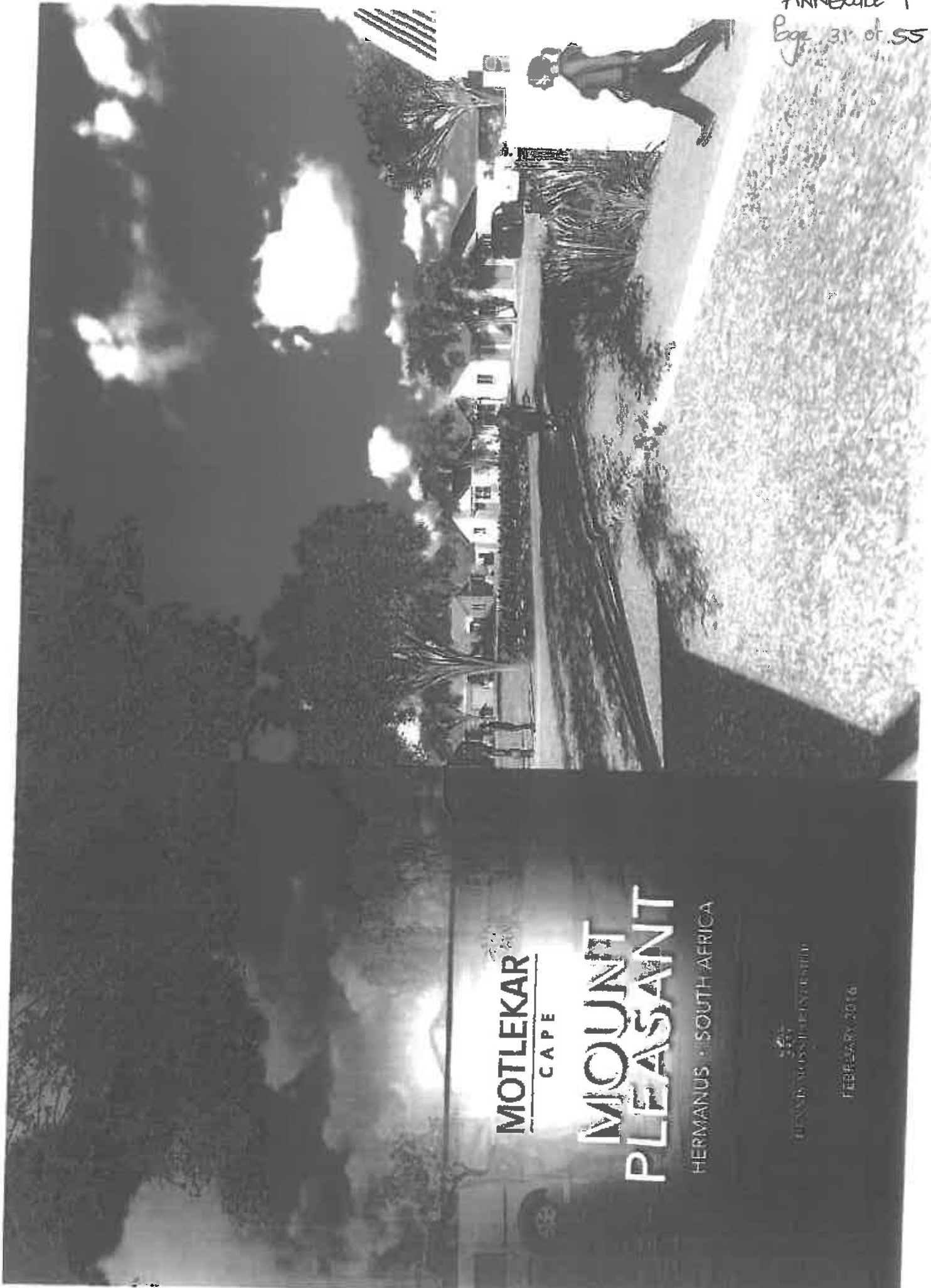
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MOTLEKAR INTERIORS

MOUNT PLEASANT HEIGHTS
GAP MODEL SALES PRICE DETAIL

House Type:	Heights		Heights		Total	Per m2	
	Type A	Type B	Type A	Type B			
	Double	Double	Single	Single			
No of	1	1	1	14	17		
Size	83	100	82	43	847		
m2 total	83	100	82	602			
Building cost	6 100	6 100	6 100	6 100			
Selling rate m2	12 758	12 590	14 677	15 581			
Opening balance cashflow only							
House price Nett retention:							
Sub total ex VAT		R 928 947	R 1 104 386	R 798 246	R 987 719	R 11 089 649	R 13 057
VAT		R 130 083	R 184 614	R 111 754	R 82 281	R 1 648 361	R 1 828.04
SALES PRICE INCL VAT		R 1 059 000	R 1 289 000	R 910 000	R 670 000	R 12 608 000	R 14 885

EXPENSES

Land Cost	R 88 283	R 88 283	R 88 283	R 88 283	R 1 160 511	R 1 370	
Bulk services cost	R 0	R 0	R 0	R 0	R 0	R 0	
Civil and electrical Electrical services	R 55 070	R 55 070	R 55 070	R 55 070	R 936 197	R 1 105	
					R 0	R 0	
Sub total Stand cost A	R 123 353	R 123 353	R 123 353	R 123 353	R 2 097 008	R 2 476	
Building cost	R 506 300	R 610 000	R 378 200	R 262 300	R 5 186 700	R 6 100	84.80%
Security	R 10 000	R 10 000	R 10 000	R 10 000	R 170 000	R 201	1.80%
Landscaping	R 5 000	R 3 000	R 3 000	R 3 000	R 53 000	R 63	0.58%
Contingencies	R 5 000	R 3 000	R 5 000	R 3 000	R 55 000	R 65	0.58%
Sub total Building cost B	R 528 300	R 626 000	R 386 200	R 278 300	R 5 444 700	R 6 428	
Other Top structure cost					R 0	R 0	
Professional fees	R 5 000	R 5 000	R 5 000	R 5 000	R 85 000	R 100	0.80%
Transfer and Bond cost	R 8 000	R 8 000	R 8 000	R 8 000	R 138 000	R 161	1.44%
Municipal cost	R 5 000	R 5 000	R 5 000	R 5 000	R 85 000	R 100	0.80%
- Marketing & promotion	R 5 000	R 5 000	R 5 000	R 5 000	R 85 000	R 100	0.80%
NHBRC fee	R 13 767	R 16 367	R 11 830	R 8 710	R 183 904	R 184	1.73%
Project Management fees	R 5 000	R 5 000	R 5 000	R 5 000	R 85 000	R 100	0.80%
Sub total other cost C	R 41 767	R 44 367	R 39 830	R 36 710	R 639 904	R 755	6.76%
Sub Total House Cost: B+C	R 569 067	R 670 367	R 436 030	R 315 010	R 6 084 604	R 7 184	64.29%
Sales commission fees (D)	R 50 000	R 50 000	R 50 000	R 25 000	R 500 000	R 590	3.97%
Transfer fees & dees office	R 1 000	R 1 000	R 1 000	R 1 000	R 17 000	R 20	0.18%
Sub Total House Cost: D	R 618 067	R 721 367	R 487 030	R 341 010	R 6 601 604	R 7 794	68.76%
Total cost Land,Stand and House A+D	R 742 420	R 844 720	R 618 383	R 464 363	R 8 698 612	R 10 270	91.52%
Finance cost	R 35 000	R 35 000	R 35 000	R 35 000	R 585 000	R 702	6.28%
Bank valuation fee (A)	R 10 000	R 10 000	R 10 000	R 10 000	R 170 000	R 201	1.80%
Total cost ex VAT (B)	R 787 420	R 898 720	R 685 383	R 509 363	R 9 463 612	R 11 173	100.00%
VAT					R 0	R 0	B/C
Projected return	R 141 527	R 214 666	R 142 862	R 78 386	R 1 896 037	R 1 684	16.80%



MOTLEKAR
CAPE
**MOUNT
PLEASANT**

HERMANUS • SOUTH AFRICA

357
LUSKIN ROAD, HERMANUS

FEBRUARY 2016

MOTLEKAR
CAPE

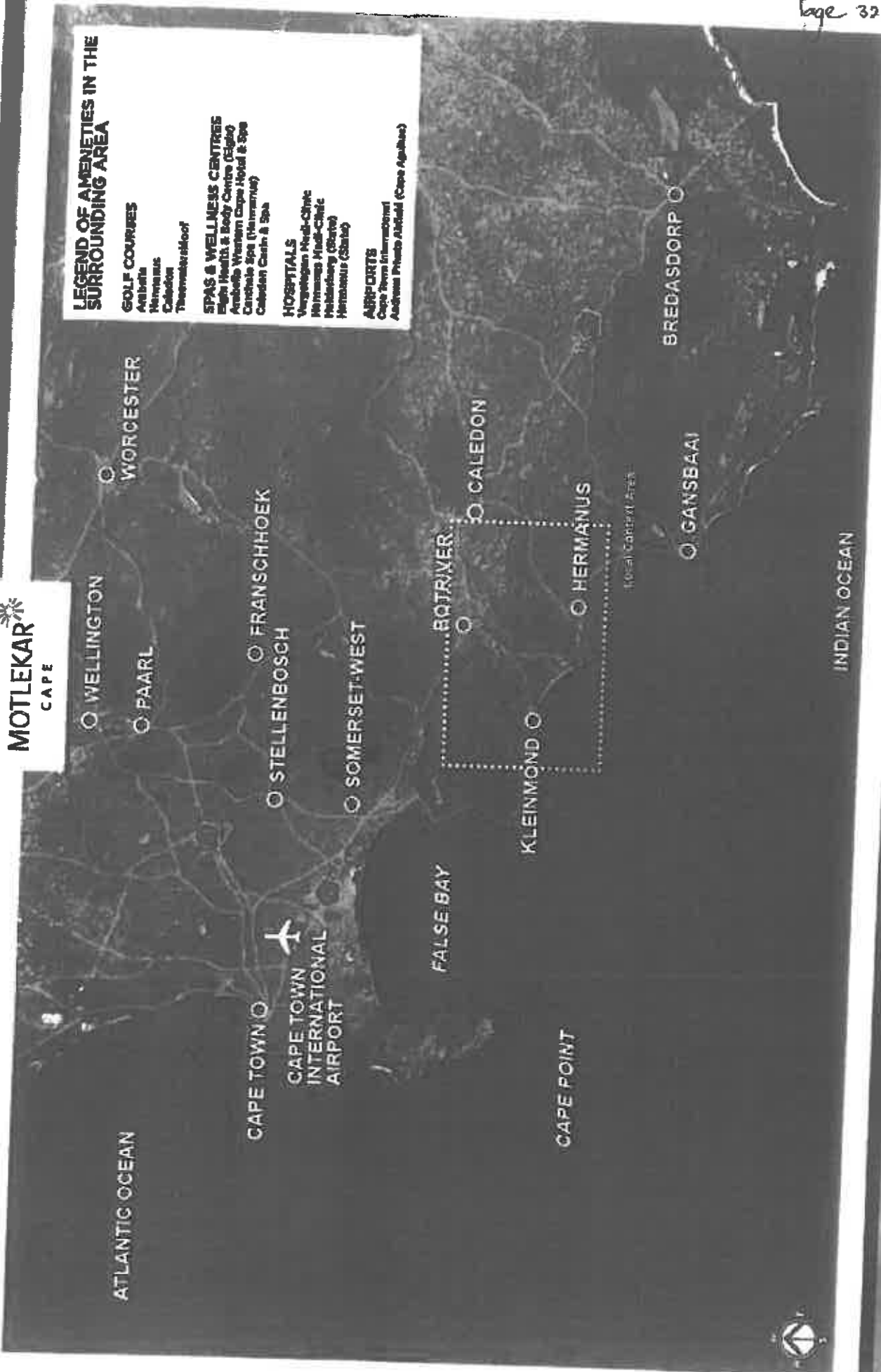
LEGEND OF AMENITIES IN THE SURROUNDING AREA

GOLF COURSES
 Arabella
 Heronspur
 Caledon
 Theewatersloof

SPAS & WELLNESS CENTRES
 Eight Heats & Body Centre (Eight)
 Arabella Western Cape Hotel & Spa
 Caledon Spa (Hermannus)
 Caledon Club & Spa

HOSPITALS
 Vergelegen Health-Clinic
 Hermannus Health-Clinic
 Heilbrunn (Stellenbosch)
 Heronspur (Stellenbosch)

AIRPORTS
 Cape Town International
 Andrew's Private Airfield (Cape Agulhas)



MOUNT PLEASANT

PROVINCIAL CONTEXT - WESTERN CAPE
FEBRUARY 2016



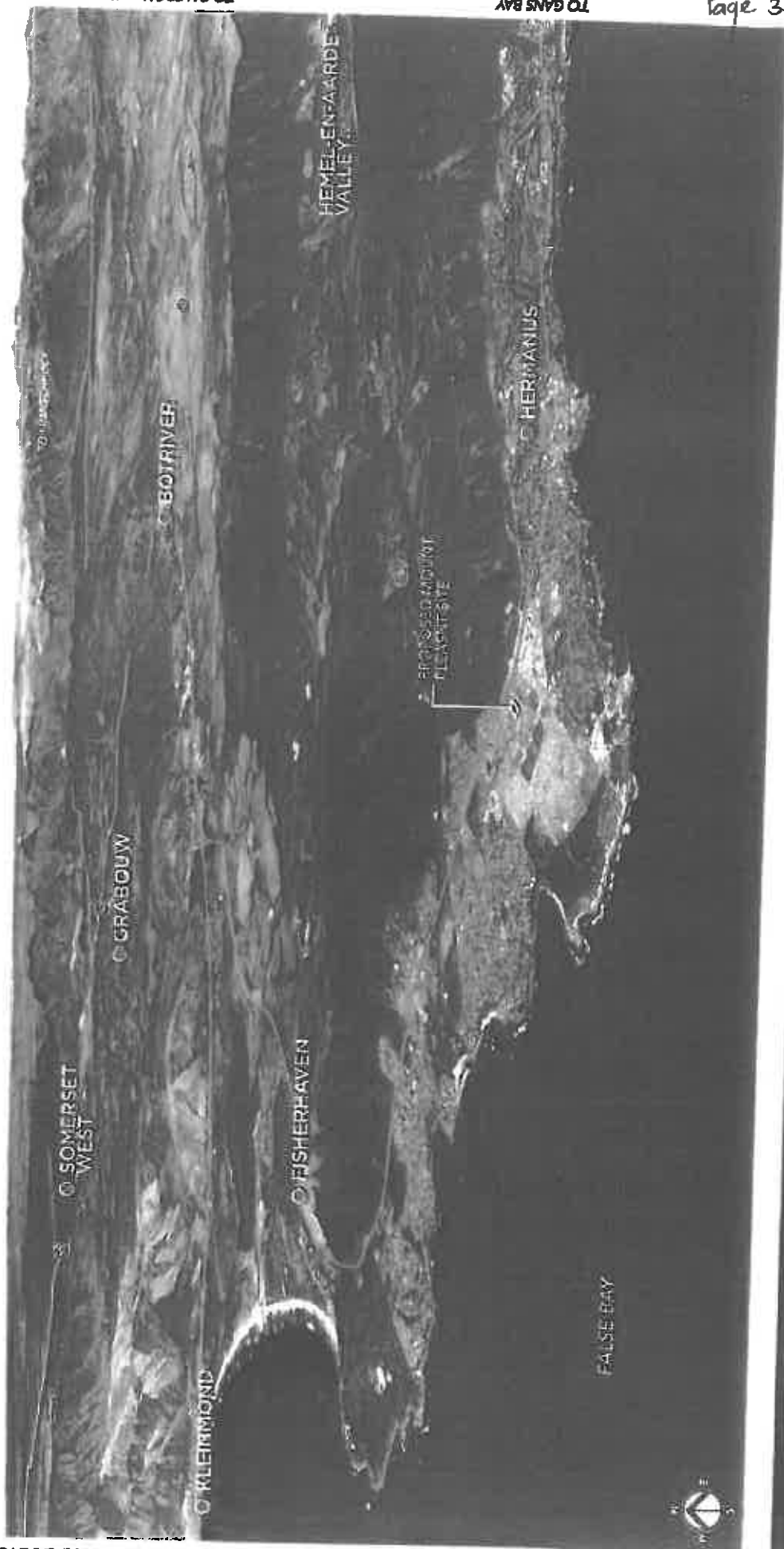
DEPARTMENT OF ECONOMIC DEVELOPMENT AND ENVIRONMENTAL AFFAIRS
WESTERN CAPE

TO GANS BAY

TO CALDON TO WILLERSDORP

TO CAPE TOWN

MOTLEKAR
CAPE



MOUNT
PLEASANT

LOCAL CONTEXT
FEBRUARY 2016

55

MOTLEKAR
CAPE



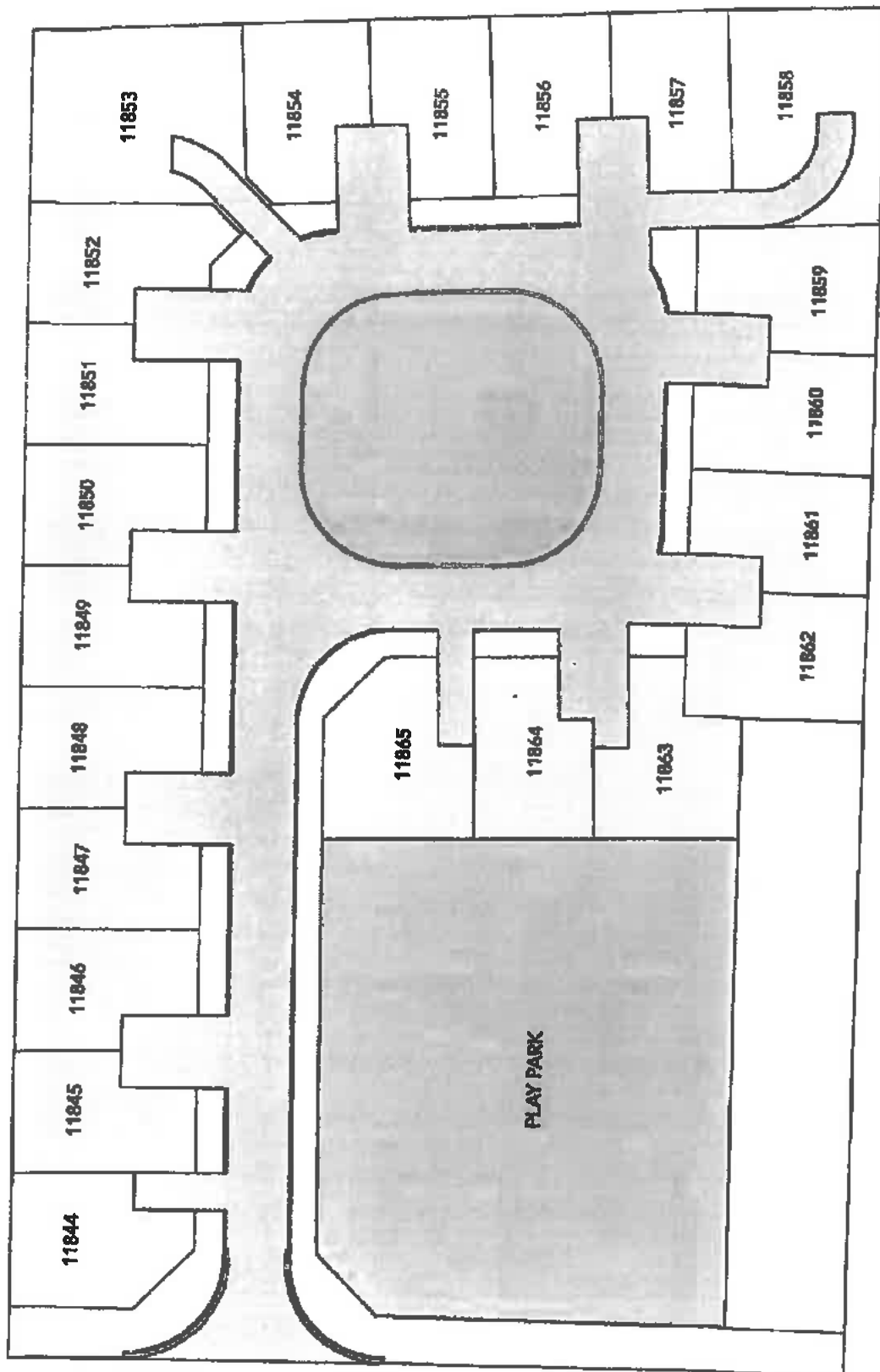
MOUNT PLEASANT
WILSON

MOUNT PLEASANT LOCAL CONTEXT
 FEBRUARY 2016

WILSON

ANNEXURE F
Page 35 of 50

MOTLEKAR
CAPE



ANGELIER STREET

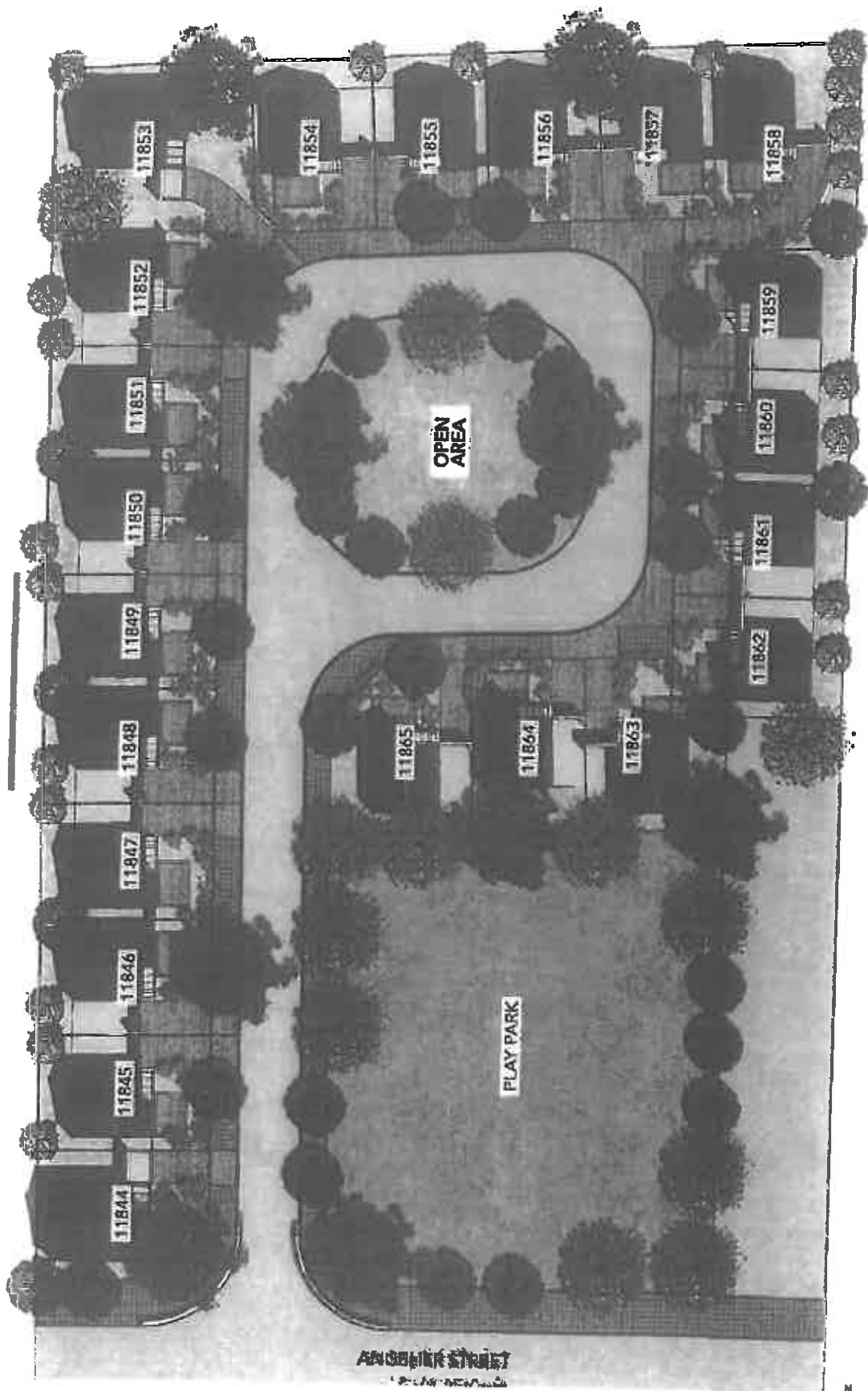


PROPOSED SUB DIVISION PLAN
FEBRUARY 2016

MOUNT
PLEASANT



MOTLEKAR
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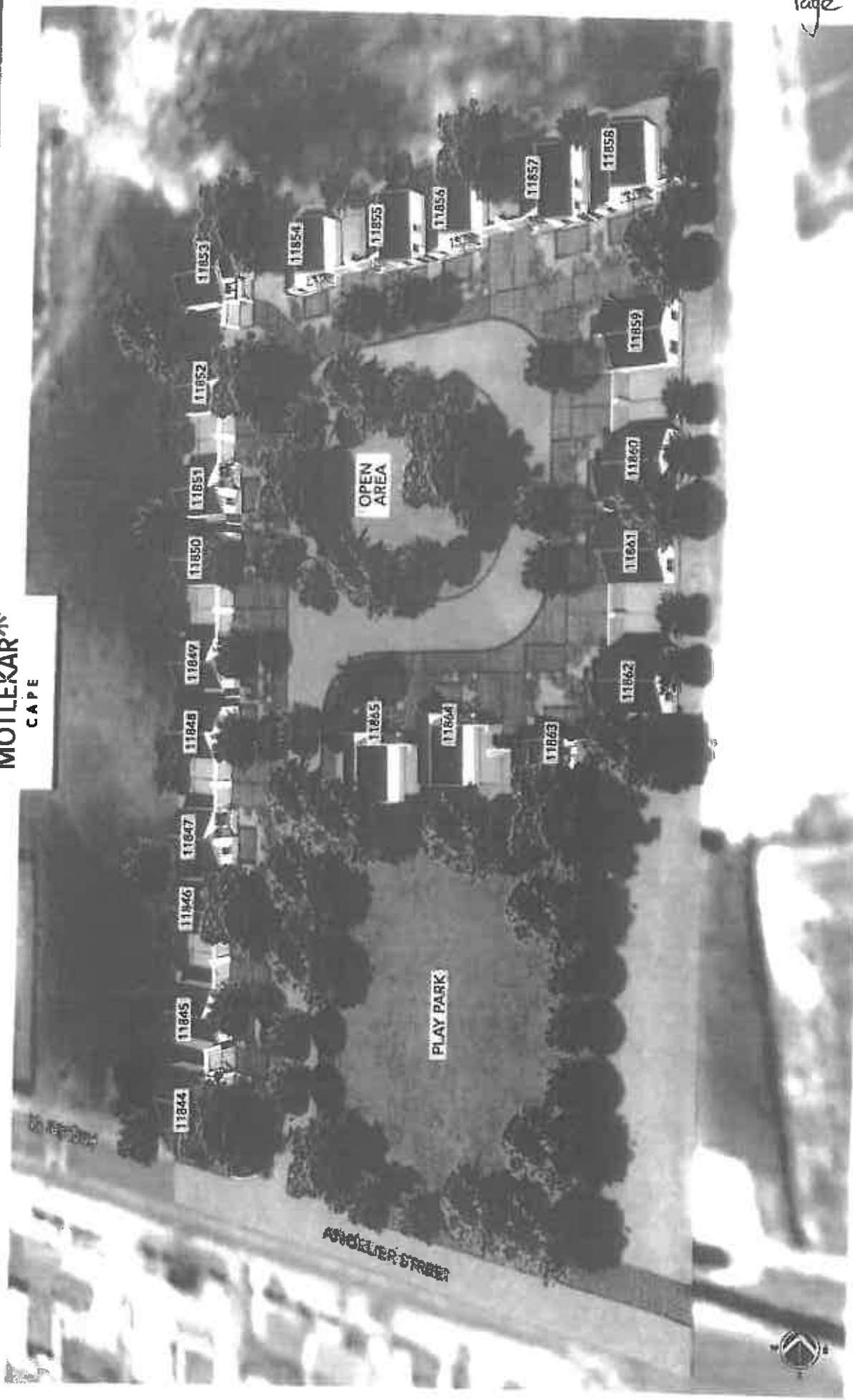


PROPOSED MASTERPLAN
FEBRUARY 2016

MOUNT PLEASANT



MOTLEKAR
CAPE



DEVELOPMENT SITE MASTERPLAN (LOOKING WEST)
FEBRUARY 2016

MOUNT
PLEASANT



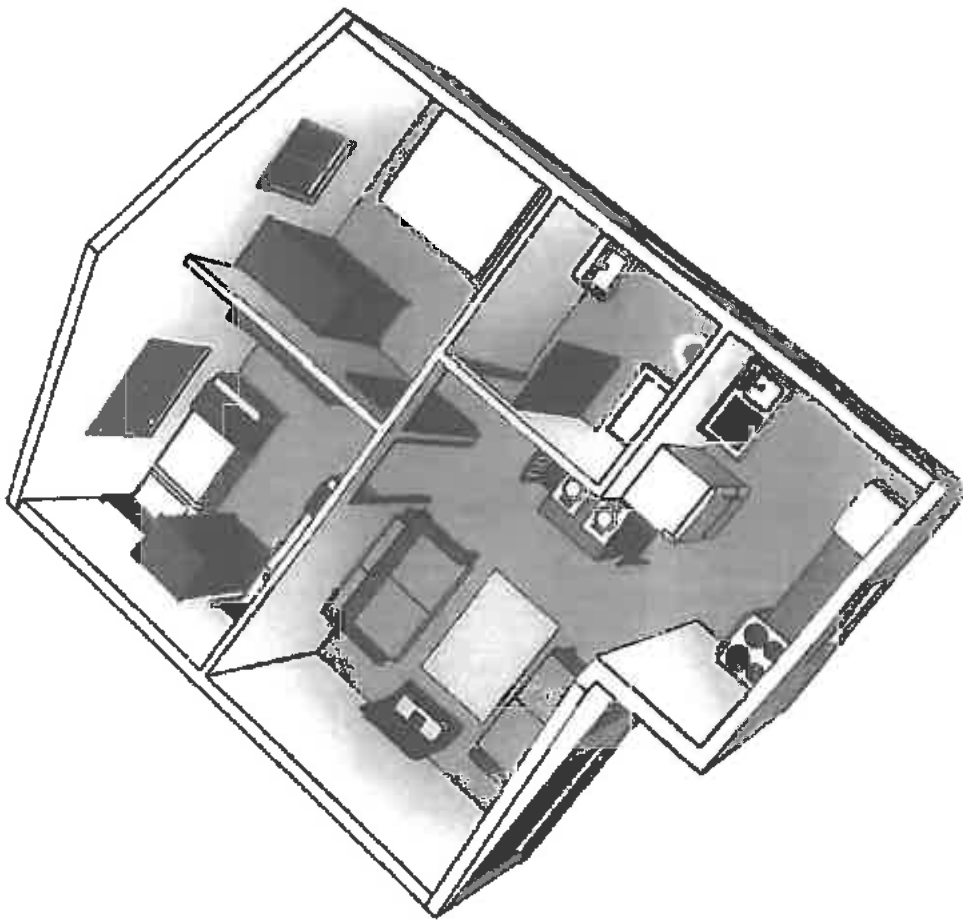
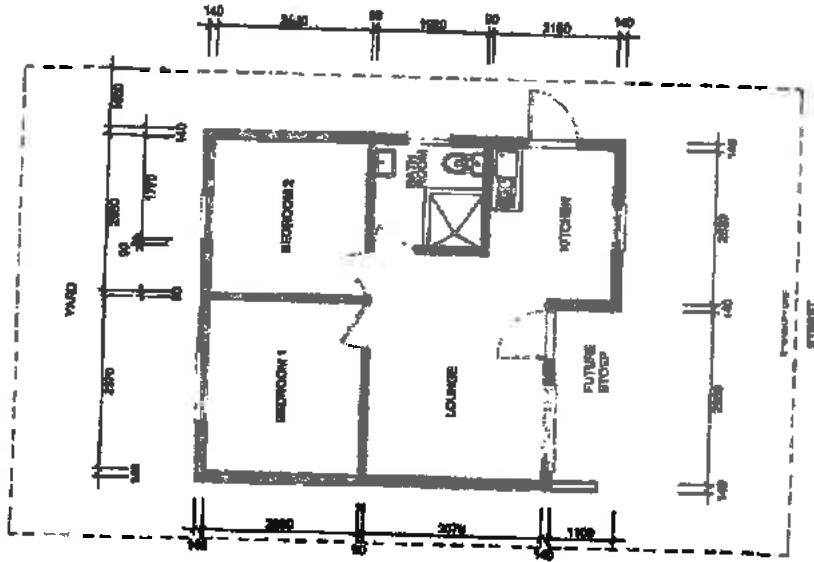
MOTLEKAR
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MOUNT
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ALWAYS DISCOVER

ARTISTS IMPRESSION
FEBRUARY 2016





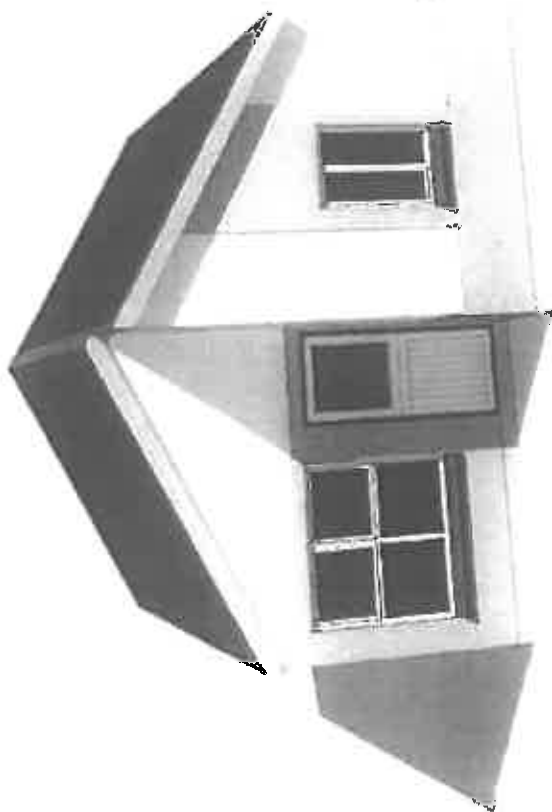
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CAPE

UNIT TYPE L1
FEBRUARY 2016

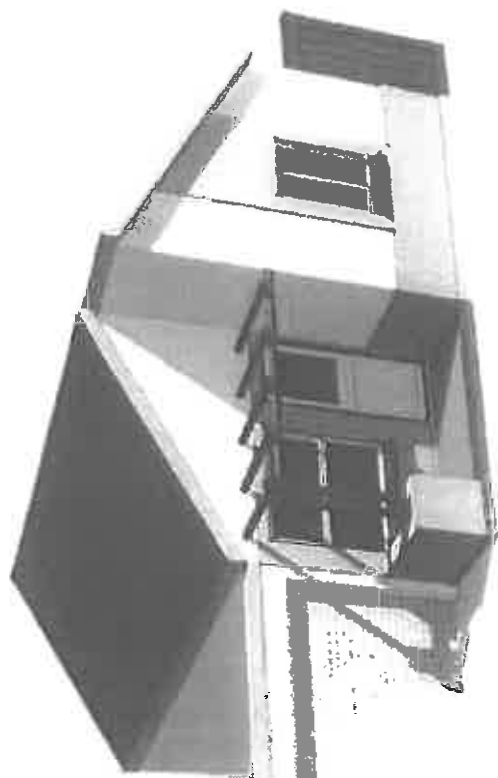
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MOTLEKAR
CAPE



BASIC UNIT



BASIC UNIT ELEVATION WITH
IMPROVEMENTS

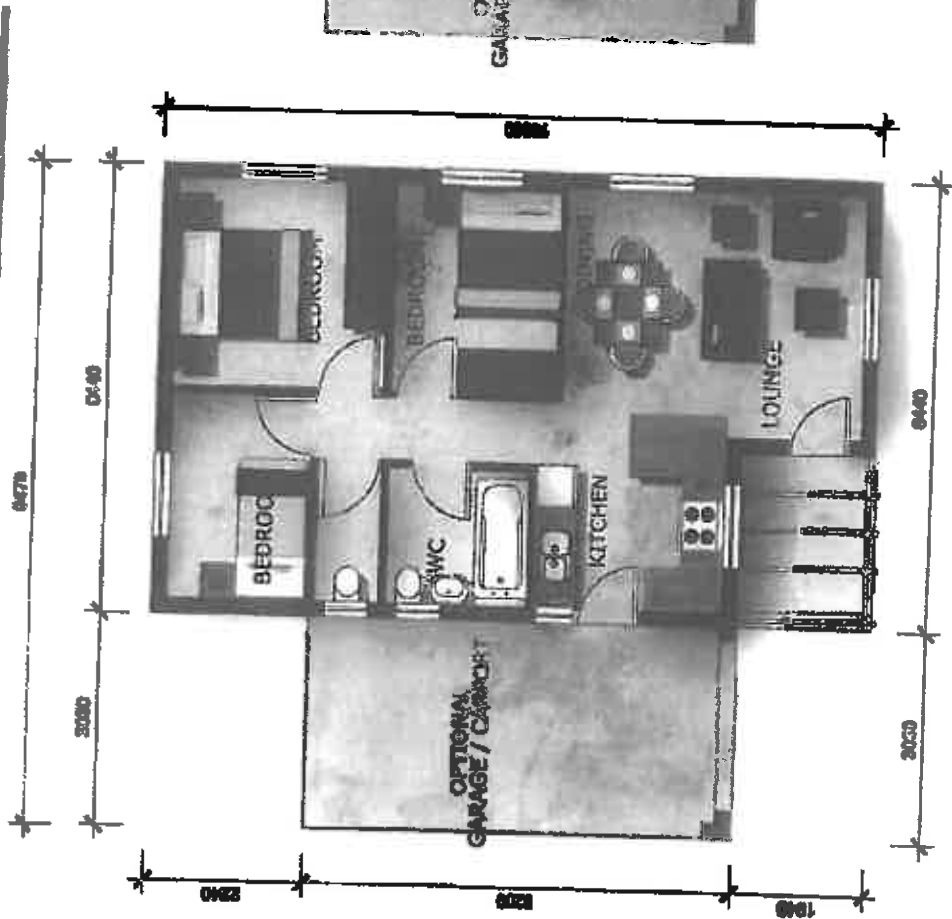
MOUNT
PLEASANT
ILLUSTRATIONS

UNIT TYPE L1 - ILLUSTRATING IMPROVEMENTS

FEBRUARY 2016



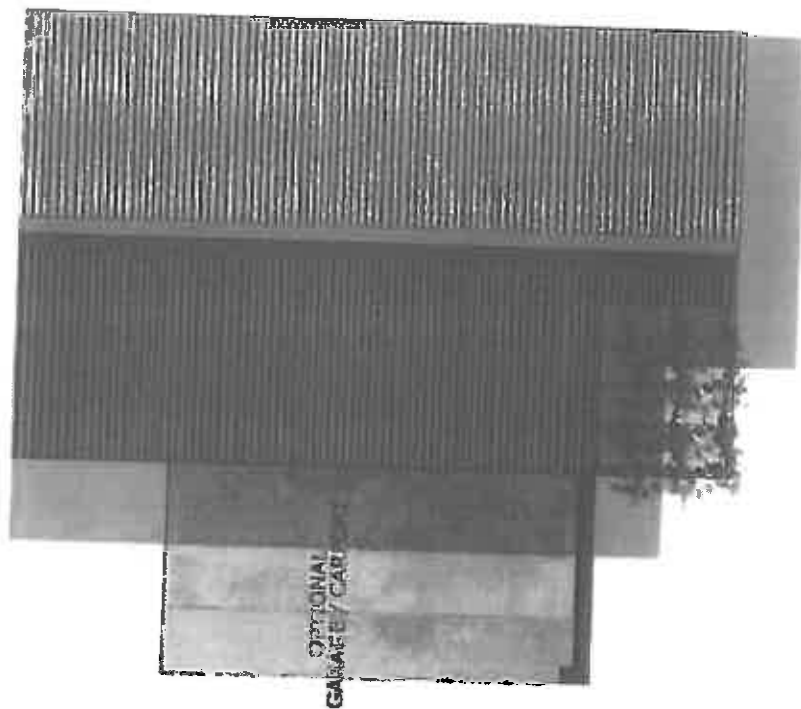
MOTLEKAR
CAPE



GROUND FLOOR PLAN

AREA: 62m² (excluding garage / carport)

NOTE: WINDOW POSITION TO BE FINALIZED. SITE DEPENDENT.



ROOF PLAN

UNIT TYPE L1 - FLOOR PLAN

FEBRUARY 2016

MOUNT
PLEASANT

MOUNT PLEASANT VILLAGE
GAP SALES PRICE DETAIL

House Type:	Village Type A	Village Type B	Village Type A	Total:	Per m2
No of	4	4	14	22	
Size	82	82	43	1 176	
m2 total	248	328	602		
Building cost	5 500	5 500	5 500		
Selling rate m2	10 342	9 283	12 144		
Opening balance cashflow only					
House price Net retention:					
Sub total ex VAT	R 682 486	R 667 719	R 458 070	R 11 333 684	R 9 821
VAT	R 76 744	R 93 491	R 84 130	R 1 688 718	R 1 348,98
SALES PRICE INCL VAT	R 841 200	761 200	522 200	R 12 920 400	R 10 968
Cross subb Heights	R 62 764	R 52 764	R 52 764	R 1 160 810,89	
PRICE TO END USER	R 688 436	R 708 436	R 469 436		

EXPENSES

Land cost	R 0	R 0	R 0	R 0	R 0	
Bulk services Cost	R 0	R 0	R 0	R 0	R 0	
Electrical services	R 0	R 0	R 0	R 0	R 0	
Civil services	R 45 000	R 45 000	R 45 000	R 990 000	R 840	
Sub total Stand cost A	R 45 000	R 45 000	R 45 000	R 990 000	R 840	
Building cost	R 341 000	R 451 000	R 236 500	R 6 479 000	R 5 500	64,82%
Security	R 10 000	R 10 000	R 10 000	R 220 000	R 167	2,20%
Landscaping	R 5 000	R 3 000	R 3 000	R 74 000	R 63	0,74%
Contingencies	R 8 000	R 8 000	R 8 000	R 176 000	R 149	1,76%
Sub total Building cost B	R 364 000	R 472 000	R 257 500	R 6 949 000	R 5 899	
Other Top structure cost				R 0	R 0	
Professional fees	R 5 000	R 5 000	R 5 000	R 110 000	R 93	1,10%
Transfer and Bond cost	R 8 000	R 8 000	R 8 000	R 176 000	R 149	1,76%
Municipal cost	R 5 000	R 5 000	R 5 000	R 110 000	R 93	1,10%
- Marketing & promotion	R 5 000	R 5 000	R 5 000	R 110 000	R 93	1,10%
NHBRC fee	R 8 336	R 9 696	R 8 789	R 167 965	R 143	1,68%
Project Management fees	R 5 000	R 5 000	R 5 000	R 110 000	R 93	1,10%
Sub total other cost C	R 36 336	R 37 696	R 34 789	R 783 965	R 668	7,94%
Sub Total House Cost: B+C	R 400 336	R 509 696	R 292 289	R 7 732 965	R 6 564	77,37%
Sales commission fees (D)	R 25 000	R 25 000	R 20 000	R 480 000	R 407	3,72%
Transfer fees & docs office	R 1 000	R 1 000	R 1 000	R 22 000	R 19	0,22%
Sub Total House Cost: D	R 426 336	R 535 696	R 313 289	R 8 234 965	R 8 991	82,36%
Total cost Land, Stand and House A+D	R 471 336	R 580 696	R 358 289	R 9 224 965	R 7 631	82,30%
Finance cost	R 30 000	R 30 000	R 30 000	R 680 000	R 660	6,60%
Bank valuation fee (A)	R 5 000	R 5 000	R 5 000	R 110 000	R 93	1,10%
Total cost ex VAT (B)	R 506 336	R 615 696	R 393 289	R 9 994 965	R 8 485	100,00%
VAT				R 0	R 0	B/C
Projected return	R 66 121	R 51 624	R 64 762	R 1 338 719	R 1 136	13,39%

**OVERSTRAND AFFORDABLE HOUSING PROJECT:
SWARTDAMWEG - 150 UNITS
MOUNT PLEASANT VILLAGE – 22 UNITS
MOUNT PLEASANT HEIGHTS – 18 UNITS**

MEMORANDUM OF AGREEMENT

between

OVERSTRAND MUNICIPALITY

and

**SUPPLIERS TO ALL PROPRIETARY LIMITED
Registration Number : 2009/023199/07**

AGREEMENT

made and entered into by and between

OVERSTRAND MUNICIPALITY

herein represented by COENRAAD CORNELIUS GROENEWALD in his capacity as
MUNICIPAL MANAGER
(hereinafter called the "Municipality")

and

SUPPLIERS TO ALL PROPRIETARY LIMITED

t/a Motiekar Overstrand

herein represented by _____ in his capacity as

(hereinafter called "Suppliers To All")

1. INTERPRETATION**1.1. In this Agreement**

1.1.1. clause headings shall not be used in its interpretation unless the context clearly indicates a contrary intention;

1.1.2. an expression which denotes:

1.1.2.1. any gender includes the other gender;

1.1.2.2. a natural person includes a body corporate, an artificial person and vice versa;

1.1.2.3. the singular includes the plural and vice versa;

1.1.3. the following expressions shall bear the following meanings and related expressions bear corresponding meanings;

1.1.3.1. "Agreement" means the Agreement as set out in this document, including the annexes and schedules thereto;

- 1.1.3.2. **"Business Day"** means any day other than a Saturday, Sunday or public holiday in the Republic of South Africa;
- 1.1.3.3. **"Conveyancer"** means the attorneys appointed by the Seller
- 1.1.3.4. **"Council"** means the Overstrand Municipality;
- 1.1.3.5. **"Parties"** means the Parties to this Agreement and **"Party"** shall mean any one of them as the context may indicate;
- 1.1.3.6. **"Property"** 150 residential erven on Site C1, Swartdamweg, approximately 3.16 ha in extent, as indicated on Annexure "A" attached hereto,

18 residential erven on Mount Pleasant Heights, as indicated on Annexure "B" attached hereto;

22 residential erven on Mount Pleasant Village, as indicated on Annexure "C" attached hereto;
- 1.1.3.7. **"Suppliers To All"** means Suppliers To All (Pty) Ltd t/a Motiekar Overstrand, Reg. No. 2009/023199/07, a company duly incorporated in accordance with the applicable laws of the Republic of South Africa;
- 1.1.3.8. **"Land value Mount Pleasant Heights"** means the sum of R1 160 811 (One million one hundred and sixty thousand eight hundred an eleven rand) VAT excluded;
- 1.1.3.9. **"Relevant Authorities"** means the Relevant Authority/ies already established or to be established to succeed the aforementioned in respect of the exercise of authority in respect of those matters referred to in this Agreement and shall include the Council;
- 1.1.3.10. **"Municipality"** means Overstrand Municipality, a local authority duly constituted in terms of applicable legislation, of Magnolia Street, Hermanus;

- 1.1.3.11. **"Signature Date"** means the date of signature of this Agreement by the party signing last;
- 1.1.3.12. **"Transfer Date"** means the date upon which the pockets of erven in the property are transferred into the name of the Purchaser;
- 1.1.3.13. **"VAT"** means value added tax payable in terms of the VAT Act;
- 1.1.3.14. **"VAT Act"** means Value Added Tax Act 89 of 1991, as amended.
- 1.2. Any word or phrase defined in the body of this Agreement shall have the meaning assigned to it in such definition throughout this Agreement.
- 1.3. If any provision in a definition is a substantive provision conferring any right or imposing any obligation on any Party, then notwithstanding that it is only in the interpretation clause, effect shall be given to it as if it were a substantive provision in this Agreement.
- 1.4. When any number of days is prescribed such number shall exclude the first and include the last day unless the last day falls on a Saturday, Sunday or public holiday in the Republic of South Africa, in which case the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday in the Republic of South Africa.
- 1.5. The rule of interpretation that the contract shall be interpreted against the Party responsible for the drafting or preparation of the Agreement, shall not apply.

WHEREAS

- (a) The Municipality is the registered owner of the property;
- (b) Suppliers To All, trading as Motiekar Overstrand is the Municipality's implementing agent;

- (c) The Municipality, in line with DOHS's strategic objectives, wishes to make the property available for the development of affordable Housing Project. The vision of the Municipality is to provide affordable housing in lower, middle and higher income categories;
- (d) This innovative model will ensure the provision of affordable housing to all. The Municipality partnered with The Department of Human Settlements ("DOHS") who approved funding for the Swartdamweg GAP component of the project to unlock the project;
- (e) The property has been rezoned to single residential purposes with a departure from the normal single residential development parameters pertaining to building lines for a an affordable Housing Project;
- (f) DOHS approved the Swartdamweg affordable housing project as part of a bigger IRDP (Integrated Residential Development Project) project and the sites were serviced under this model;
- (g) A partnership approach was agreed upon between the Municipality and Suppliers To All with DOHS to implement the project;
- (h) DOHS agreed to unlock the Swartdamweg component of the project and approved R 10 000 000 (ten million rand) to start the first phase of the project. DOHS agreed that the funding be utilized to make housing more affordable and to unlock further housing projects;
- (i) The Municipality has agreed to waive bulk contributions and land cost to enhance affordability.

NOW THEREFORE the parties agree that the following terms and conditions shall be applicable

1. The Department of Human Settlements (DHOS) approved R10 000 000 to start the first phase of the development of the property. The Municipality makes the funding available to Suppliers To All as bridging finance to start construction.
2. The R10 000 000 funding will be paid to Suppliers To All as an advance payment to start the project.

3. **Suppliers To All** will provide the municipality with an acceptable form of guarantee to the value of R10 000 000.
4. The Affordable Housing Project shall be implemented by **Suppliers To All** in phases.

Phase 1

Construction of boundary wall and entrance.

Construction of a show village of 30 GAP housing units at Swartdamweg – 2017/2018.

Construction of show houses at Mount Pleasant village and Mount Pleasant Heights 2017/2018.

Start marketing all units.

Phase 2

Ongoing marketing 2018/2019.

Complete transfers on phase 1. Once the 10 mil DOHS funding is recovered Suppliers will start construction of the following 30 GAP units during 2018/2019.

Depending on the market uptake and timeframe to recover the bridge-funding Suppliers aim to further construct the next of 30 GAP units during 2018/2019. (60 in total 2018/2019)

Ongoing construction of units in Mount pleasant Heights and Mount Pleasant Village – Market driven.

Phase 3

Ongoing marketing of all units. 2019/2020

Final construction of units in Mount pleasant Heights and Mount Pleasant Village.

Construction of the last phase of Swartdamweg - 60 GAP units in 2 pockets of 30 units each.

Upon transfer of the last phase of the Swartdamweg project the full amount of R10 000 000 will be recovered into the SOA account of the Municipality.

5. **Suppliers To All** committed to engage with commercial banks to raise finance to speed up project delivery in Mount Pleasant Heights and Mount Pleasant village.
6. **Suppliers To All** shall take the marketing risk of the units.
7. The relevant property shall be transferred by the conveyancers to **Suppliers To All** in accordance with the Deed of Sale.

8. **Suppliers To All** shall only sell the units within guideline price brackets as agreed with the Municipality to end users in the GAP market, to ensure affordability for the target market. Approved sales and rental prices will increase annually in line with inflation (CPIX). To cater for lower income earners, 20% of the salable units in Swartdamweg will be made available in a subsidised category. The sales price of the subsidized units shall be cross-subsidized from other GAP units to achieve the reduced prices.
9. The property shall be transferred to **Suppliers To All** at zero cost. The land value per erf forms part of the Municipality's contribution to make the units more affordable and hence no land cost is included in the detail approved cost analysis. It is recorded that proceeds from Land Cost Mount Pleasant Heights will be recovered from end users and utilized to lower the cost on Mount Pleasant Village units.
10. The Municipality and Suppliers to all shall agree on an acceptable form of guarantee.
11. On the successful sale of the individual erven to end users, **Suppliers To All's** conveyancers shall transfer to the end users the individual erven sold.
12. On registration of transfer of individual units to end users the conveyancers shall:
 - 12.1. repay to the Municipality the agreed services cost per erf as detailed in the approved detail costing;
13. The Municipality will utilize the repayments to promote other affordable housing opportunities
14. In the event of any of the transferred erven/units to **Suppliers To All** not being sold and transferred to end users within 48 (Forty eight) months from date of completion of the show village, **Suppliers To All** shall forthwith repay to the Municipality the outstanding balance to be recovered in terms of clause 12.1. as well as the R10 mil DOHS funding to kick start the project.
- 15.1 In the event of any of the Parties ("the defaulting party") committing a breach of any of the terms of this Agreement and failing to remedy such breach within a period of 14 (fourteen) days after receipt of a written notice from the other Party ("the aggrieved party") calling upon the defaulting party so to remedy, then the aggrieved party shall be entitled, at its sole discretion and without prejudice to any of its other rights in law, either to claim specific performance of the terms of this Agreement or to cancel this

Agreement forthwith without further notice, in either event with the right of claiming and recovering damages from the defaulting party.

- 15.2 Should either Party instruct attorneys to take any steps to enforce any of such Party's rights in terms of this Agreement arising from a breach by the other Party, then the defaulting Party shall be liable for all legal and incidental costs including legal fees and tracing charges.**
- 16.1 If a Party ("the defaulting party") fails to pay any amount which is owing by it to the other Party ("the innocent party") on the due date, including any amount which may be payable as damages, without prejudice to other rights which the innocent party may have, the innocent party shall thereupon be entitled to claim and recover from the defaulting party an additional amount in respect of interest on such unpaid amount calculated at 2% (two per centum) above the Prime Rate from the due date to the date of actual payment, or in the case of an amount payable by way of damages, with effect from the date upon which those damages are sustained until the date of payment in respect of those damages.**
- 16.2 The interest referred to in clause 16.1 shall be compounded monthly in arrears from the end of the month during which the interest is first calculated.**
- 17. Each Party will:**
- 17.1 sign and/or execute all documents;**
 - 17.2 do and procure the doing by other persons, and refrain and procure that other persons refrain from doing, all acts; and**
 - 17.3 pass and procure the passing of all resolutions of directors or shareholders and/or trustees of any company,**
- to the extent that it may lie within the Party's powers and may be required to give effect to the import or intent of this Agreement, or any contract concluded pursuant to the provisions of this Agreement.**
- 18.1 Should any dispute arise between the Parties in the widest sense concerning any matter relating to this Agreement, the dispute will be referred to the managing directors (or their delegates) of the Parties who will endeavour to reach agreement on the issue.**

18.2 Should the Parties fail to successfully resolve the dispute after following the aforementioned procedure within a period of fourteen (14) days after such process has been requested by either of the Parties, the matter will be referred to arbitration as set out in clause 19 below.

19. Should any dispute arise between the Parties in regard to:

19.1.1 the Interpretation of; or

19.1.2 the carrying into effect of; or

19.1.3 any of the Parties' rights and obligations arising from; or

19.1.4 the termination of or arising from the termination of; or

19.1.5 the rectification of; or

19.1.6 any document delivered by any of the Parties arising from the terms of this Agreement,

and that dispute is not resolved in terms of the provisions of clause 18 above then that dispute shall be submitted to and decided by arbitration.

19.2 The Parties may require a dispute to be referred to arbitration in terms of this clause by way of written notice to the other Party.

19.3 The Parties may, notwithstanding the provisions of this clause, claim interim relief on an urgent basis from a Court with competent jurisdiction, in anticipation of the award of the arbitrator.

19.4 The arbitration shall be held:

19.4.1 at Cape Town; and

19.4.2 otherwise in terms of the rules of the Arbitration Foundation of South Africa ("AFSA"),

19.4.3 it being the intention that the arbitration shall, where possible, be held and concluded in 21 (twenty one) working days after it has been demanded.

19.5 The arbitrator shall be, if the matter in dispute is principally:

- 19.5.1 a legal matter, a practicing advocate of not less than 10 (ten) years' standing, or a practicing attorney of not less than 10 (ten) years' standing;
- 19.5.2 an accounting matter, a practicing chartered accountant of not less than 10 (ten) years' standing;
- 19.5.3 any other matter, an independent person agreed upon between the Parties.
- 19.6 Should the Parties fail to agree on an arbitrator within 14 (fourteen) days after the arbitration has been demanded, then the arbitrator shall be nominated at the request of either of the Parties, by the Chairperson of AFSA, or his/her successor in title.
- 19.7 Should the Parties fail to agree whether the dispute is of a legal, accounting or other nature within 7 (seven) days after the arbitration has been demanded, then it shall be considered a legal matter.
- 19.8 The arbitrator shall have the fullest and freest discretion with regard to the proceedings. Furthermore the arbitrator:
- 19.8.1 may dispense wholly or in part with formal submissions or pleadings;
- 19.8.2 shall determine the applicable procedure;
- 19.8.3 shall include such order as to costs as he deems just;
- 19.8.4 shall decide an accounting matter in accordance with the generally accepted accounting principals prevailing at the time when the dispute arises.
- 19.9 There shall be a right to appeal against the award made by the arbitrator. The body of appeal shall consist of a tribunal of 3 (three) arbitrators. Each Party shall be entitled to nominate and appoint 1 (one) arbitrator each, which shall be suitably qualified persons. The arbitrators so nominated and appointed shall within 14 (fourteen) days after their appointment, by agreement, appoint a third arbitrator. Should they fail to appoint a third arbitrator within the aforementioned period, such arbitrator shall be appointed by the Chairman of AFSA or his/her successor in title. The decision of the majority of the arbitrators shall be final and binding on the Parties.
- 19.10 Either of the Parties shall be entitled to have the award made an order of a Court with competent jurisdiction.
- 19.11 The provisions of this clause:

- 19.11.1 constitute an irrevocable consent by the Parties to any proceedings in terms hereof and none of the Parties shall be entitled to withdraw from it or to claim or to state at such proceedings that he is not bound by the terms of this clause;
- 19.11.2 is severable from this Agreement and shall remain in force, notwithstanding the termination of, or the invalidity for whatsoever reason, of this Agreement.
- 20.1 The Parties hereby choose as their respective addresses for all notices arising out of this Agreement and as their *domicilium citandi et executandi* ("domicilium") as follows:
- 20.1.1 The Municipality:
Magnolia Avenue
Hermanus
7200
Facsimile: 028 312 1894
- 20.1.2 Suppliers To All:
1 Boland Way
Durbanville
7550
Facsimile: 021 976 0984
- 20.2 Each of the Parties shall be entitled from time to time by written notice to the other to vary its domicilium to any other physical address within the Republic of South Africa not being a post box or a poste restante.
- 20.3 Any notice required or permitted to be given in terms of this Agreement shall be valid and effective only if in writing.
- 20.4 Any notice given by one Party to the other ("the addressee") which:
- 20.4.1 is delivered by hand during the normal business hours of the addressee at the addressee's domicilium for the time being shall be rebuttably presumed, to have been received by the addressee at the time of delivery;
- 20.4.2 is posted by prepaid registered post from an address within the Republic of South Africa to the addressee at the addressee's domicilium for the time being

shall be rebuttably presumed, to have been received by the addressee on the seventh day after the date of posting;

- 20.4.3 are faxed or emailed, shall be rebuttably presumed to have been received by the addressee on the first business day after date of transmission.
- 21.1 This Agreement will in all respects (including its existence, validity, interpretation, implementation, termination and enforcement) be governed by the law of the Republic of South Africa which is applicable to agreements executed and wholly performed within the Republic of South Africa.
- 21.2 Subject to clause 18 above, the Parties hereby consent and submit to the jurisdiction of the High Court of South Africa Western Cape High Court Division in respect of any dispute or claim arising out of or in connection with this Agreement.
- 22.1 Suppliers to All will be responsible to pay all costs and expenses of Guthrie & Theron Attorneys incurred in connection with the negotiation, preparation and entering into this Agreement which will be payable on demand.
- 22.2 Suppliers To All shall be liable for the payment of transfer duty (if any) and the tariff fees charged by the Conveyancer relating to the transferring of the Property into its name.
23. This Agreement may be executed in one or more counterparts and in separate counterparts, each of which when executed will be deemed to be an original but when taken together will constitute one and the same agreement. The Agreement will only come into being once all the Parties hereto have signed such counterparts.
- 24.1 No latitude, extension of time or other indulgence which may be given or allowed by any Party to the other Party in respect of the performance of any obligation hereunder, and no delay or forbearance in the enforcement of any right of any Party arising from this Agreement, and no single or partial exercise of any right by any Party under this Agreement, shall in any circumstances be construed to be an implied consent or election by such Party or operate as a waiver or a novation of or otherwise affect any of the Party's rights in terms of or arising from this Agreement or estop or preclude any such Party from enforcing at any time and without notice, strict and punctual compliance with each and every provision or term hereof.

24.2 No addition to or variation, consensual cancellation or novation of this Agreement shall be of any force or effect unless reduced to writing and signed by all the Parties or their duly authorised representatives.

24.3 This Agreement constitutes the whole Agreement between the Parties as to the subject matter hereof and no Agreements, representations or warranties between the Parties regarding the subject matter hereof other than those set out herein are binding on the Parties.

24.4 No Party may assign, transfer, sub-contract or otherwise part with this Agreement or any part thereof or any right or obligation under it, without obtaining the other Party's prior written consent thereto unless determined to the contrary in terms of this Agreement.

SIGNED at _____ on this _____ day of _____ 2014

for OVERSTRAND MUNICIPALITY

who warrants that he is duly authorized hereto

SIGNED at _____ on this _____ day of _____ 2014

for SUPPLIERS TO ALL PROPRIETARY LIMITED

who warrants that he is duly authorized hereto